

DAILY REPORT

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JAPAN

Freeze on Purchase of Alaskan Pollack Relaxed	C 1
JAL, PAL Refuse To Fly Journalist to Philippines	C 1
3 Firms To Buy Saudi Oil Under Netback Formula	C 2
Abe Fears Oil Price Drop To Boost Trade Surplus	C 2
Nakasone To Pursue 'Flexible' Financial Policy	C 2
Finance Ministry Warns Rising Revenue Shortfall	C 2
Sumita: Yen Rising 'Little Too Rapidly'	C 3
Government To Resubmit LDP Antispy Bill to Diet	C 4
Opposition Parties Opposed	C 4
Confrontation on JNR Sale Halts Budget Debate	C 5
JSP Leader Reaffirms Plan To Visit South Korea	C 6
Briefs: Food to Cambodian Refugees	C 6

NORTH KOREA

An Sung-hak, Hong Song-yong Relieved of Posts	D 1
Chon's Remarks at Defense Ministry Denounced	D 1
Japan's 'Reinvasion' Maneuvers Criticized	D 2
South Exercise for Chemical Warfare Denounced	D 5
KCNA Hails Kim Chong-il's Care, Leadership	D 6
Paper on Struggle for Economic Construction	D 7
[NODONG SINMUN 29 Jan]	
Kim Il-song Sends Thanks to Komdok Mine Complex	D 9
Chollima Steel Complex Overfulfills Plan	D 10
Workers Effect Innovations in Power Production	D 11
Key Industries Overfulfill January Assignments	D 11
Technical Innovation Effort At Work in Industry	D 12
Workers Bring About Upsurge in 1986 Production	D 13

SOUTH KOREA

Foreign Ministry Attempts To Verify Kidnappers	E 1
[THE KOREA TIMES 4 Feb]	
North Envoy Denies Tie With Beirut Kidnapping	E 1
[CHOSON ILBO 4 Feb]	
Chon on Unprofitable Overseas Construction	E 2
Trade Organ To Counter U.S. Pressure Established	E 2
NKDP Suspends Membership of Two Lawmakers	E 3
[THE KOREA TIMES 1 Feb]	
New Conservative Club on Defections From NKDP	E 3
[THE KOREA HERALD 4 Feb]	

CAMBODIA

10th National Assembly Session Opens 4 February	H 1
Leaders Lay Wreaths	H 1
Health Cooperation Accord Signed With Hungary	H 2
Son Sann Seeks To Meet Gen Sak on KPNLF Rift	H 2
[Bangkok BANGKOK POST 1 Feb]	

PCCS' Gen Sak Intimates Plans To Quit KPNLF	H 3
[Bangkok THE NATION 1 Feb]	
DK Forces Sweep Areas North of Phnom Penh [VONADK]	H 4

LAOS

Thai 'Allegations' on Attack, Overflights Denied	I 1
Souphanouvong Opens SPC Session 30 January	I 1
Session Ends; Decrees Adopted	I 3

VIETNAM

VNA Rejects Thai 'Slandorous' Allegation	K 1
Council of State Holds Session 30 January	K 1
Army Paper Scores U.S. Military Buildup Plan	K 1
[QUAN DOI NHAN DAN 26 Jan]	
Senior General Van Tien Dung Visits Factory	K 2
Vo Van Kiet Reviews Development Charts	K 2
Department Reviews Agricultural Production	K 3

INDONESIA

ICK Chairman Meets Mokhtar on ASEAN Proposal	N 1
MERDEKA Views Motives for U.S. Sale of F-16's [29 Jan]	N 1

PHILIPPINES

Marcos Speaks to 'Friends of Marcos' 3 February	P 1
Marcos Forms Study Teams on Country's Problems	P 7
Comelec Rules Marcos-Aquino Debate Illegal	P 7
Marcos Cancels Debate [AFP]	P 8
Marcos Proposes 'Dialogue'	P 9
Radio Cites Aquino Remarks Before Businessmen	P 9
BERNAMA Reports Aquino Stand on ASEAN, Sabah	P 9
MBS Reports 'Coordinated System' in Poll Count	P 11
Comelec Issues Rules	P 11
Voters To Number 26 Million [KYODO]	P 11
Priests, Nuns To Watch Polls [AFP]	P 12
MBS Commentary Predicts KBL Landslide Victory	P 13
KBL Councillor Interviewed on Elections	P 14
Military Plans To Counter Election Violence	P 15
Death Toll Reaches 47 [AFP]	P 15
Mayors Report NPA Death Threat [TIMES JOURNAL 31 Jan]	P 16
Embassies Express Concern [AFP]	P 17
Ramos Says Violence Down	P 18
Enrile Urged To Get Tough	P 18
Opposition Gag Plan Rumored	P 19
Troops Deployed in Suriago [ANG PAHAYAGANG MALAYA 26 Jan]	P 19
Dissidents Reported Massing in 3 Provinces	P 20
'Foreign-Trained' MNLF Commanders Enter Country	P 20
Ople Says Further Cuts Ahead in Gas, Oil Prices	P 21
Government Continues 'Withdrawal Binge' From CB	P 21
[BULLETIN TODAY 31 Jan]	
Virata on Restructuring of Foreign Debt	P 22
Government To Seek New Program With IMF	P 23
[BUSINESS DAY 29 Jan]	

Philsuma Head Presses for Release of Funds [BUSINESS DAY 29 Jan]	P 23
Marcos Charged With Misleading Sugar Workers [BUSINESS DAY 29 Jan]	P 24
Producers 'Optimistic' on Release of Sugar Funds [BUSINESS DAY 31 Jan]	P 25
Police Bust International Heroin Ring [AFP]	P 26

FREEZE ON PURCHASE OF ALASKAN POLLACK RELAXED

OWO41057 Tokyo KYODO in English 1042 GMT 4 Feb 86

[Text] Tokyo, Feb. 4 KYODO -- Japan agreed Tuesday to resume purchasing Alaska pollack from U.S. fishing boats in the Shelikof Strait off south Alaska in a bid to break an impasse in deadlocked bilateral fishery talks with the United States. The strait is an important spawning ground for pollack.

Tsutomu Hata, minister of agriculture, forestry and fisheries, told Mike Mansfield, U.S. ambassador to Japan, of the decision when the U.S. envoy visited his ministry to confer on the issue. Under an agreement reached last year, Japan pledged to purchase [figure indistinct] tons of their 525,000-ton quota this year. U.S. fishermen are allowed to begin hauling the pollack in the strait from February 15.

The purchasing plan was shelved when the United States issued a fresh warning in mid-January that Japanese fishermen would not be allotted a fishing quota within the 200-mile U.S. economic zone unless negotiations on salmon catches in the northern Pacific made progress. The United States has demanded that Japan reduce its salmon catch in the high seas. The bilateral fishery talks have been stalled since the six rounds of talks on salmon fishing held last year.

Japanese fishing concerns initiated the freeze in retaliation for a possible U.S. refusal to allocate fishing quotas off the U.S. coast. In disclosing plans for Japan's partial relaxation of the freeze, Hata asked the former U.S. Senate majority leader Tourge his government to issue fishery allocations for Japanese boats in the U.S. economic zone. U.S. coastal fishermen, mainly in Seattle, would have been hard hit had the freeze continued.

During the 30-minute meeting, Hata was quoted as telling Mansfield that Japan expects a favorable reaction from the U.S. in response to the concession. Mansfield promised Hata that his comments would be immediately conveyed to the U.S., and expressed the hope that both parties will take a flexible approach to solving the controversy. Fishery officials expressed caution, however, about persistent calls from U.S. fishermen, mainly in Alaska, for the U.S. not to allocate the quota unless Japan concedes to a request to reduce its salmon catches in the open seas.

JAL, PAL REFUSE TO FLY JOURNALIST TO PHILIPPINES

OWO40459 Tokyo KYODO in English 0421 GMT 4 Feb 86

[Text] Narita, Chiba Pref., Feb. 4 KYODO -- Japanese freelance journalist Kiyoshi Wakamiya said Tuesday that both Japan Air Lines (JAL) and Philippine Airlines (PAL) had refused to take him to Manila. Wakamiya, 39, a witness of the 1983 assassination of former Philippine opposition leader Benigno Aquino, said he had been planning to cover the Philippine presidential election on Friday. He said both JAL and PAL cited an instruction from the Philippine Government in making the refusal.

The journalist first tried to get on JAL flight 741 and then PAL flight 431 both bound for Manila from new Tokyo International Airport on Tuesday morning. A JAL spokesman said he regretted the action but that JAL must abide by an instruction from a foreign country to which it serves. The Foreign Ministry said Saturday it had been informed by the authorities in the Philippines that they could not guarantee Wakamiya's safety if he were to go there.

3 FIRMS TO BUY SAUDI OIL UNDER NETBACK FORMULA

OW030744 Tokyo KYODO in English 0652 GMT 3 Feb 86

[Text] Tokyo, Feb. 3 KYODO -- Three Japanese companies have contracted to import about 220,000 barrels of Saudi crude oil a day under the so-called "netback" pricing formula starting this month, the companies said Monday. According to the companies, Kyodo Oil Co. will import about 70,000 barrels a day over the next six months, Marubeni Corp. some 50,000 barrels and Mitsubishi Corp. about 100,000 barrels.

The companies refused to reveal the import price, but industry sources said it is about 20.50 dollars a barrel, far below the official selling price of 28 dollars a barrel for Saudi Arabia's benchmark crude, Arabian light. Under the netback pricing, crude oil prices are calculated by subtracting freight and refining costs from markets prices of refined products. This is the first time that Saudi Arabia has contracted to sell oil to Japan under the formula.

ABE FEARS OIL PRICE DROP TO BOOST TRADE SURPLUS

OW040635 Tokyo KYODO in English 0544 GMT 4 Feb 86

[Text] Tokyo, Feb. 4 KYODO -- Foreign Minister Shintaro Abe expressed worries Tuesday that falling oil prices might further boost Japan's trade surplus, which rose to 56 billion dollars in 1985 from 44 billion in 1984, officials said. Abe told Helga Steeg, executive director of the International Energy Agency, that Japan favors a stability of oil prices because world fluctuations are exerting a major influence on the economies of both advanced and developing countries. The West German director of the 21-member energy agency based in Paris welcomed Japan's decision to relax controls on imports of oil products like gasoline, the officials said. She called it a step in the right direction. Japan, in a major policy change, began last month to allow oil distributors and refiners to import gasoline.

In the 20-minute meeting with the Foreign Minister, Steeg urged Japan to further open its oil product market to imports in accordance with an IEA agreement last July to promote trade of oil products, they said. Steeg, here on a four-day visit since Monday, called for efforts to continue to conserve oil and to develop alternative energy sources. She told Abe a recent tumble in crude oil prices will not affect the long-range picture of demand and supply of oil. Crude oil prices have fallen below 20 dollars per barrel on spot oil market abroad, compared with the official selling price of 28 dollars for the benchmark Arabian light crude.

Steeg attributed such oil price fluctuations partly to Saudi Arabia's policy change as a "swing producer" among the oil cartel OPEC, the Organization of Petroleum Exporting Countries. Saudi Arabia has recently agreed with Japanese traders to sell its crude for around 20 dollars per barrel, compared with the official selling price of 28 dollars.

NAKASONE TO PURSUE 'FLEXIBLE' FINANCIAL POLICY

OW311249 Tokyo KYODO in English 1244 GMT 31 Jan 86

[Text] Tokyo, Jan. 31 KYODO -- Prime Minister Yasuhiro Nakasone Friday hinted at the possibility of another official discount rate cut in the near future, but Bank of Japan Governor Satoshi Sumita refrained from making a clear reference to the issue.

Nakasone said in the day's upper house plenary session that the government will pursue a flexible and appropriate financial and monetary policy, with due attention paid to the yen's exchange rate.

The Bank of Japan cut its official discount rate by 0.5 percentage points to 4.5 percent Thursday. "The official discount rate cut is expected to contribute much to boosting domestic demand," Nakasone said.

Sumita also told a lower house Finance Committee meeting that the Central Bank will implement monetary policies while paying great attention to the yen's exchange rates. But he refused to commit himself to further monetary relaxation in the future. He was replying to a socialist questioner, Hiro Sawada. Sumita said a continued upswing in the yen's value will help restrain Japanese exports and rectify the nation's trade imbalance, though this will take time.

Finance Minister Noboru Takeshita also suggested his willingness to study another cut in the base lending rate, while watching closely future developments in the foreign exchange market and U.S. monetary policies. "As a general rule, we have to deal with the issue in an appropriate and flexible manner," he said.

FINANCE MINISTRY WARNS RISING REVENUE SHORTFALL

OW311253 Tokyo KYODO in English 1239 GMT 31 Jan 86

[Text] Tokyo, Jan 31 KYODO -- The Finance Ministry Friday warned that the fiscal revenue shortfall will reach 6.08 trillion yen in fiscal 1989 if the present systems and measures are continued, making it hard to attain the target of eliminating deficit-covering bonds by fiscal 1990. This will confront the nation with the alternative of accepting a tax increase or a sharp cut in administrative services, the ministry said.

Even without a tax increase, it said, the financial burden on the nation -- taxes plus social security expenses -- is bound to swell because of the growing proportion of elderly people in the Japanese population. The burden now stands at 36.1 percent as against the national income.

The outlook for national finances was given in three documents submitted by the ministry to the Diet prior to the start of a full parliamentary debate on the government's budget for fiscal 1986 which starts in April. The ministry, however, reaffirmed the target of eliminating deficit-covering bonds by fiscal 1990. To that end, it said, the amount of such bonds will have to be reduced by 1.31 trillion yen a year from fiscal 1987. Financial observers, however, expressed skepticism, noting that in the current fiscal 1986 budget, the government could cut deficit-covering bonds by only 484 billion yen or less than half the targeted figure. They said that the aim of eliminating deficit-covering bonds by fiscal 1990 is anything but realistic without the restructuring of revenues, including a tax increase.

SUMITA: YEN RISING 'LITTLE TOO RAPIDLY'

OW030929 Tokyo KYODO in English 0925 GMT 3 Feb 86

[Text] Tokyo, Feb 3 KYODO -- Satoshi Sumita, governor of the Bank of Japan (BOJ), said Monday that the yen is rising a little too rapidly against the dollar. The Japanese currency momentarily hit the 189 yen level Monday morning.

Sumita told reporters that he was giving due consideration to industries affected by the higher yen, but he discounted the possibility of intervening in the market to shore up the dollar's value, as the U.S. currency was not likely to plunge uncontrollably. Regarding possible U.S. moves on the dollar's future value, Sumita said he believed the U.S. monetary authorities were well prepared to cope with any eventuality. He ruled out an early possibility of another cut in Japan's official discount rate following last week's cut to 4.5 percent per annum as the bank is trying to assess the effects of the 0.5 percentage point rate cut.

Meanwhile, Finance Ministry officials were unconcerned about the dollar's continued plunge Monday, saying it will not collapse as it reflects the basic economic strength of the United States and Japan. The yen first broke the 200 yen level on January 24 and has been appreciating rapidly since then.

GOVERNMENT TO RESUBMIT LDP ANTISPY BILL TO DIET

OW031255 Tokyo KYODO in English 1245 GMT 3 Jan 86

[Text] Tokyo, Feb. 3 KYODO -- The government of Prime Minister Yasuhiro Nakasone Monday endorsed a ruling party plan to resubmit an official secrets bill to the Diet, officials said. The endorsement, given at a regular conference of cabinet ministers and top executives of the Liberal-Democratic Party, cleared the path for the party to act on the controversial legislation.

The original LDP anti-espionage bill, denounced by critics as a vaguely-worded piece of legislation aimed at thwarting freedom of speech, was scuttled last December in the face of strong objections put up by opposition parties, the news media and the Japan Federation of Bar Associations. LDP sources had earlier said the party plans to table the bill this March, but political analysts said the LDP faces an uphill struggle to come up with a draft acceptable to critics of antiespionage legislation.

Political sources said leaders of the New Liberal Club, the LDP's coalition partner, urged caution when the antiespionage bill was brought up at the government-LDP conference Monday. With the exception of the Democratic Socialist party, all major opposition parties have expressed objection to any antiespionage law. The Japan Socialist Party, the top opposition group, has denounced the LDP move to seek anti-espionage legislation as an attempt to treat "the whole nation as spies." Both the Japan Newspaper Publishers and Editors Association and the Bars Federation are committed to opposing any antiespionage law, for fear it would jeopardize press freedom and human rights.

Opposition Parties Opposed

OW040419 Tokyo KYODO in English 0408 GMT 4 Feb 86

[Text] Tokyo, Feb. 4 KYODO -- Yohei Kono, leader of the New Liberal Club (NLC), Tuesday voiced caution about antiespionage legislation proposed by the ruling Liberal-Democratic Party (LDP), of which it is a coalition partner. Kono, director general of the Science and Technology Agency, told a news conference that his party cannot yet make a positive commitment to the proposals since the details of the planned legislation are not yet clear.

Meanwhile, the Democratic Socialist Party (DSP) also expressed reservations Tuesday about the LDP proposal.

In a meeting of its Diet Policy Committee, the DSP said an official secrets act is closely related to freedom and human rights of the people and therefore the government should exercise caution in enacting antiespionage legislation.

The reaction from the NLC and the DSP came a day after the government endorsed an LDP plan to rewrite an official secrets bill and submit it to the current Diet session. An earlier LDP antispy bill was thrown out by the Diet last December as a result of strong resistance by opposition parties, the mass media and a lawyers' federation.

The DSP, which had previously urged the government to strengthen antiespionage measures, indicated that it might join the LDP in working out an antiespionage law, saying it was opposed to an official secrets bill sponsored by the LDP alone. In his press conference, Kono suggested that the government could avoid having to introduce an antiespionage law by preventing leaks within its own administration.

All other opposition parties have expressed strong objections to any antiespionage law, on the grounds that it would lead to a government clampdown on the flow of information.

CONFRONTATION ON JNR SALE HALTS BUDGET DEBATE

OW031345 Tokyo KYODO in English 1234 GMT 3 Feb 86

[Text] Tokyo, Feb. 3 KYODO -- The lower house committee in charge of mulling the government's fiscal 1986 budget ground to a halt on the first day of business Monday in a confrontation that reflects growing tensions between the ruling and opposition parties in this election year. The stoppage, which wiped out the last four hours of scheduled debate, centered on a dispute over the government's plan to sell off the deficit-ridden Japanese National Railways [JNR]. The budget committee called off the day's debate after the government officials refused a Japan Socialist Party (JSP) request to reveal data on the proposed sale of some JNR-held land to cover part of the 37.3 trillion yen debt incurred by the government-run railway. The JSP responded by refusing to participate in further debate.

While a commonly-used opposition tactic to force concessions from the government, the stand-off Monday was seen as a bid by the JSP to score political points pending the upper house election scheduled this summer, political analysts said. "The government is doing everything it can," Prime Minister Yasuhiro Nakasone said when asked to comment on the Diet stoppage, shrugging off a reporter's suggestion on a possible snag in budget deliberations.

The budget committee, which began deliberating the money bill Monday, provides the main forum for the opposition to grill the government on all aspects of government policy. The session featured interpellations by Makoto Tanabe, secretary general of the JSP, who apart from the JNR issue also grilled the government on subjects ranging from Japan's defense policy to redistribution of Diet seats in the lower house. While generally aggressive in his questions, Tanabe occasionally seemed to adopt a more conciliatory tone, in a gesture that led some Diet observers to speculate whether it might signal a fresh approach to Diet business under the new pragmatic JSP line.

After hours of debate, Tanabe at last became confrontational regarding the politically sensitive JNR privatization plan. Tanabe accused the government of underestimating the value of JNR-held land earmarked for sale and pressed for the release of the proposed land-sale figures. Transport Ministry officials, backed by Transport Minister Hiroshi Mitsuzuka, refused, prompting the stand-off. The ranking LDP and opposition members on the committee then went into session to negotiate ways to break the deadlock.

JSP LEADER REAFFIRMS PLAN TO VISIT SOUTH KOREA

OW040841 Tokyo KYODO in English 0833 GMT 4 Feb 86

[Text] Tokyo, Feb. 4 KYODO -- Japan Socialist Party (JSP) Chairman Masashi Ishibashi said Tuesday he plans to travel to Seoul, reiterating a basic policy shift of the top opposition party toward South Korea. Ishibashi's South Korea trip was first proposed during a meeting he had last December with Kim Yong-sam, a prominent South Korean opposition leader, who was visiting Japan.

Speaking at a news conference at the National Press Center, Ishibashi singled out his planned South Korea trip as part of a more active approach to foreign policy by the JSP. "If my visit is of any good for the promotion of democratic forces in South Korea and the peaceful unification of the North and South, then I will go," he said, repeating a commitment he said he made to Kim last year. Kim is a co-chairman of Council for the Promotion of Democracy, the umbrella organization of South Korea's opposition camp.

Ishibashi, who was re-elected unopposed for a second two-year term as party chairman last December, dealt extensively with the diplomatic role which he said the "new socialist party" wants to play in order to complement the government's foreign policy. The "new socialist party" title was coined after Ishibashi became party chairman in September 1983 to signal a new pragmatic approach.

Kim was to send a delegation to Japan before Ishibashi's projected trip to South Korea, but the trip by South Korean opposition leaders has been delayed because of domestic issues, he said.

The Korea peninsula, Ishibashi noted, is an area where the JSP could engage in what he called "complementary diplomacy," as the party maintains close ties with the ruling Workers' Party in the North, while the Tokyo Government has no diplomatic relations with Pyongyang. Ishibashi also claimed credit for acting as the middle man in relaying what he described as North Korea's "strong interest" in improving ties with Japan.

Turning to domestic policies, Ishibashi reiterated that he has no plan to enter into a coalition with the LDP, or with LDP dissenters. "This is a point I want to make clear," Ishibashi said, his message apparently directed toward party dissenters who protested loudly last December when he tried to steamroller a new party program allowing for "coalition with an political group." But Ishibashi also underscored his determination to stick to a pragmatic line, offering to resign if his policy is unacceptable to the party.

On Diet business, Ishibashi intimated that the JSP plans to take a nonprovocative stance in order to avoid giving Prime Minister Yasuhiro Nakasone an excuse to dissolve the Diet and call a general election. A snap lower house election is widely mentioned as a political ploy that Nakasone may seek in order to extend his term of office later this year.

BRIEFS

FOOD TO CAMBODIAN REFUGEES -- Tokyo, Feb. 4 KYODO -- The government Tuesday decided to extend 60 million yen worth of dried biscuits to Kampuchean refugees in Thailand through the U.N. World Food Program (WFP), government officials said. The government will also cover transportation costs, estimated at about 17 million yen. This will be the third such delivery, with supplies being sent from the disaster emergency food supplies of Saitama Prefecture, Tokyo Metropolitan Government and other local authorities as well as by two private firms, the officials said. [Text] [Tokyo KYODO in English 0114 GMT 4 Feb 86 OW]

AN SUNG-HAK, HONG SONG-YONG RELIEVED OF POSTS

SK041032 Pyongyang KCNA in English 1012 GMT 4 Feb 86

[Text] Pyongyang February 4 (KCNA) -- A joint meeting of the political bureau of the Central Committee of the Workers' Party of Korea and the Central People's Committee of the Democratic People's Republic of Korea was held today.

The meeting presided over by the great leader President Kim Il-song was attended by the members of the Presidium of the Political Bureau and members of the Political Bureau of the Central Committee of the Workers' Party of Korea and members of the Central People's Committee.

The meeting appointed Hong Song-nam as vice-premier of the DPRK Administration Council and chairman of the State Planning Commission; Hong Si-Hak as vice-premier of the DPRK Administration Council and chairman of the Commission of Mining Industry [as received]; and Chu Kil-pon as chairman of the Commission of Chemical and Light Industries.

It relieved An Sung-hak of the post of vice-premier of the DPRK Administration Council and chairman of the Commission of Chemical and Light Industries and Hong Song-yong of the post of vice-premier of the DPRK Administration Council and chairman of the State Planning Commission.

CHON'S REMARKS AT DEFENSE MINISTRY DENOUNCED

SK040643 Pyongyang Domestic Service in Korean 1149 GMT 3 Feb 86

[Commentary by station commentator Cho Tong-ik: "Seeking Armed Confrontation"]

[Text] On 1 February, traitor Chon Tu-hwan visited the puppet Ministry of National Defense to receive a briefing on the work plan for this year. At the ministry, he talked about accelerating war preparations. Babbling about the increase in the so-called harmful factors to security, he raved about efforts to increase joint combat capabilities with the United States and secure defense forces. Furthermore, he clamored about preparations to cope with chemical warfare, the strengthening of early warning capabilities, the enhancement of spiritual preparedness, the development of the supply system, and the strengthening of the combat capabilities of the home reserve forces.

The gibberish of the puppets is a bellicose order to accelerate war preparations in each sector this year, and nakedly exposes that the wretches tenaciously seek the line of armed confrontation which runs counter to peace and peaceful reunification. To solve the question of peace and peaceful reunification in our country, a way for easing the situation and removing tensions through dialogue should be taken instead of seeking the road of armed confrontation in collusion with foreign forces. This is a very obvious reason and the unanimous aspiration of the whole nation and the world's peace-loving people.

We have not spared sincere efforts to alleviate the strained situation in our country and create a more favorable atmosphere for the North-South dialogue and have even taken initiative measures.

This notwithstanding, the puppets answered our peace-loving proposal with the announcement of the plan to wage the provocative "Team Spirit-86" joint military exercise with the U.S. imperialists, thereby plunging dialogue again into the state of suspension. In addition to this, they are trying to be more hellbent on completing war preparations this year in collusion with the U.S. imperialists. This is an intolerable antinational and antipeace act.

To justify his maneuvers for the augmentation of armed forces and for war preparations, traitor Chon Tu-hwan described these maneuvers as a defensive measure to counter someone's surprise attack and as a step to deter war. This is sophism reversing black and white. Those ringleaders who create the danger of war in our country are the U.S. imperialists and the puppet clique. The threat of aggression existing in our country is only the threat of northward invasion by the South.

It is no secret that, in accordance with the order of the U.S. imperialists, the puppets newly formed a so-called offensive strategy, have drastically augmented the puppet combat forces, including commandos, and armored units, and have deployed them along the Military Demarcation Line. It is also known that, at the meetings of the major puppet army commanders held at the end of last year, the puppets decided to make this year a year to prepare for sure victory and mapped out a scheme to perfect an operational posture for sure victory at the initial stage of war.

There is also a need to expose that the "Team Spirit-86" military exercise to be waged from 10 February is a preliminary war and test nuclear war for northward invasion. The puppets' term of defense means attack, and their term of deterrence to war indicates the provocation of war.

The puppet traitor talked about a so-called self-defending defense. This is also unbecoming. It is brazen and ridiculous for colonial puppets and war executors, who are running amok in preparations for a war against the compatriots at the order of the imperialist masters while leaving the prerogative of supreme command over the military to the U.S. imperialist aggressors, to make such remarks. Traitor Chon Tu-hwan babbled through his mouth, from which the word self-defending defense came, that efforts should be made to increase joint combat capabilities with the United States, thus revealing that the term self-defense indicates a war of aggression in which he plays the role of a proxy in accordance with the command of the U.S. imperialists.

The puppets are rushing not to rapprochement, but to confrontation and not to peace, but to war, running counter to the aspirations of the nation and frantically following only the aggressive demands of the imperialist masters.

The Chon Tu-hwan clique should clearly recognize that its treacherous and bellicose act will not open any way out. The puppets' reckless act of challenging the peace-loving spirit growing at home and abroad will expedite their isolation and ruin.

JAPAN'S 'REINVASION' MANEUVERS CRITICIZED

SK040045 Pyongyang Domestic Service in Korean 0821 GMT 1 Feb 86

[Unattributed special article: "We Will Never Tolerate the Act of Reinvasion and Treachery"]

[Text] Eighty years ago, the brigandish Japanese imperialist aggressors established the residency-general in Seoul and forced upon our people the politics of the residency-general, the predecessor of the politics of the government-general.

The Japanese imperialists, who forced upon our country the ulsa protectorate treat in November 1905 through ruthless and evil methods, announced a statement concerning the operations of the residency-general a few days later under the pretext of implementing the regulations of this brigandish treaty. They declared the opening of the residency-general on 1 February 1906. On 2 March of the same year, Ito, the ringleader of the Japanese imperialist aggression against Korea, sneaked into Korea as the first resident-general.

The Japanese imperialist resident-general was the actual ruler of Korea who had absolute authority and power to suspend or cancel laws and regulations of the Korean government and to order the use of the Japanese imperialist troops, in case of necessity, on behalf of the Japanese emperor and Government. The politics of the residency-general were precisely the Japanese imperialists' colonial rule over Korea.

With the opening of the residency-general and the enforcement of the politics by the residency-general, all fields of Korea, including the political, economic, military, and cultural fields, came under the control of the Japanese imperialists, and consequently the Korean people were forced to suffer the destiny of national ruin unprecedented in their long history.

The Japanese imperialists, who had perpetrated all sorts of criminal acts against the Korean people since their emergence in the world, perpetrated the most vicious brigandish acts of establishing their colonial ruling system in Korea, while making Korea the first target for their territorial expansion.

The Japanese imperialists forced the feudal Korean Government to sign an unequal treaty through all sorts of trickery, appeasement, and deception, including the threat by force of arms by infiltrating the aggression ship Unyang-ho into Korean waters in 1975. They held the real power of ruling over Korea under the pretext of [words indistinct] and deepened their colonial rule through torture politics, the forcible annexation of Korea to Japan, and the politics by the government-general.

It is a hackneyed method of imperialists to train their stooges and to use them easily realize their aggression against the intervention in other countries. The Japanese imperialists trained the four traitors, including Yi Wan-yong and Son Pyong-chun, and used them as guides for their aggression against Korea.

Yi Wan-yong, a pro-Japanese stooge tamed by the Japanese imperialists, who later became the boss of the puppet cabinet fabricated by the Japanese imperialists to enforce their politics by the Residency-General, babbled before the Japanese resident-general that he would rely on Japan because it was impossible for Korea to achieve independence. He also took the initiative in pushing ahead with the Japanese imperialists' wild plan to annex Korea to Japan, babbling that the annexation was like a marriage. What servile and traitorous act of treachery this is!

The colonial and enslaved life forces upon our people for half a century in the past was because of such a collusion between the vicious aggressors and the dirty traitors. History has shown that where collusion between aggressors and traitors is rampant, the country inevitably perishes and the nation cannot escape the destiny of colonial and enslaved doom.

Forty years have passed since the brigandish Japanese imperialists were ruined. The ruin of the Japanese imperialists was not only the due punishment of our people imposed on the colonialists, but was also the stern judgment of history. However, far from finding a due lesson from this defeat, the Japanese militarists have started to stretch out again their claws of aggression overseas with the support of the U.S. imperialists, the ringleaders of aggression and war. The Japanese militarists who have been revived by the U.S. imperialists have stretched out their claws of reinvasion into Korea while turning the spearhead of aggression onto the Korean peninsula. The Japanese imperialist rascals' reinvasion maneuvers are reminiscent of precisely the eve of the Japanese imperialists' establishment of the Residency-General in this land 80 years ago.

In June 1965 the Japanese militarists appeased the South Korean puppets and fabricated the reactionary treaty on basic relations between South Korea and Japan. This criminal treaty is a document of aggression and subjugation that has legalized the Japanese militarists' reinvasion of South Korea. It is also a treacherous document that has stipulated the provisions for turning South Korea into a double colony of the Japanese militarists and the U.S. imperialists.

The great leader Comrade Kim Il-song has taught: With the fabrication of the criminal South Korea-Japan treaty, the Japanese reactionary ruling circles have accelerated in earnest their economic infiltration into South Korea and are now frantically running wild to make South Korea their complete colony by strengthening their political and military infiltration into South Korea along with the economic infiltration.

Upon the signing of the criminal treaty on basic relations between South Korea and Japan -- a modern version of the Ulsa protectorate treaty -- the Japanese militarists established their embassy, an organ of their aggression against South Korea, in Seoul late 1965. Following this, they established the general consulate and consulate in Pusan and Inchon respectively.

Considering the fact that the building of the Japanese imperialist in Seoul is twice the size of those of other Asian countries in Seoul, we can easily see how desperately the Japanese imperialist rascals are trying to invade South Korea again. Most of the Japanese imperialist rascals at the Japanese imperialist aggression organs in South Korea, including the embassy, are those which had experienced colonial rule over Korea in the past, those who have close private relations with the South Korean puppets, and intelligence agents who are familiar with the internal situation of South Korea.

The aggressive Japanese organs in South Korea started their diplomatic activities with the intelligence activities of collecting materials required for the reinvasion of South Korea. Thus, they have gradually widened the road of reinvasion. The crafty and cunning Japanese militarists have today stretched out their claws of reinvasion deep into South Korea through these aggressive organs there. In the political field, the Japanese reactionaries have widened the foundation for their aggression against South Korea in such a way as strengthening the collusion with the South Korean puppets. They have also provided huge amounts of political funds to the South Korean puppets whenever they faced a crisis or whenever they kicked off a election racket, and in turn for this they have increased their political domination in South Korea.

In the economic field, too, the Japanese imperialists have infiltrated their monopoly capital into South Korea again in a bid to perpetrate exploitation and plundering there and have thus completely dominated the South Korean economy together with the U.S. imperialists. Today, the Japanese reactionaries are strengthening their overall infiltration into South Korea every day by actively taking advantage of the U.S. imperialists' policy of aggression aimed at dominating the world with the foolish dream to regain their old position of being the colonial rulers in our country.

The rascals have been frantically engaged in strengthening the military collusion with the Chon Tu-hwan puppet clique by actively participating in the fabrication of the tripartite military alliance among the United States, Japan, and South Korea. It is an already known fact that the high-ranking officers of the Japanese Self-Defense Forces have participated, as so-called observers, in the adventurous "Team Spirit" war exercise that the U.S. imperialists have staged every year together with the South Korean puppets and that the air force units of the Japanese Self-Defense Forces are planning to stage a joint exercise with F-16 fighter-bombers of the U.S. Air Force in South Korea in the skies above the East Sea of our country.

The Japanese reactionaries, in particular, successfully coaxed traitor Chon Tu-hwan into agreeing to have their naval vessels call in South Korea. As is known, during his junket to Japan last year, puppet traitor Chon Tu-hwan committed the nation-selling, traitorous act of newly opening a way for the Japanese Self-Defense Forces to sneak into South Korea. Moreover, while noting that South Korea's territory is the same as Japan's territory and also babbling about the view of sharing the same destiny with the Japanese reactionaries, traitorous rascal Chon Tu-hwan is using every means to strengthen political and military collusion. Puppet traitor Chon Tu-hwan, who is unsatisfied with serving as a dog loyal to the U.S. imperialists and who is throwing himself deeply into the arms of the Japanese masters, is the most vicious toadyist, nation-seller that puts the five Ulsa enemies of 80 years ago to shame.

While regarding the South Korean puppets' nation-selling act as a favorable condition, the Japanese reactionaries are further accelerating their political, economic, military, and cultural infiltration into South Korea by positively participating in the U.S. imperialists' plot to fabricate two Koreas and promoting all sorts of grave obstacles to the independent, peaceful reunification of our country. The Japanese imperialists' maneuvers to reinvade South Korea and the puppets' nation-selling, traitorous acts have reached their peak. However, the Japanese aggressors must not make a miscalculation. Our people will by no means tolerate the U.S. reactionaries' reaggression maneuvers and the puppets' toadyist, nation-selling act, as well as the U.S. imperialists' aggression.

The South Korean people have been forced to suffer the destiny of colonial slaves from the day of national ruin in the Ulsa year to this day. To shape the lives which they have led, the South Korean people are vigorously struggling to put an end to the U.S. imperialists' colonial rule, to crush the Japanese imperialists' reaggression maneuvers, and to drive out the Chon Tu-hwan nation-selling clique. On this noble struggle road, the South Korean people will realize their wish for independence, democracy, and reunification without fail.

SOUTH EXERCISE FOR CHEMICAL WARFARE DENOUNCED

SK021105 Pyongyang KCNA in English 1012 GMT 2 Feb 86

[Text] Pyongyang February 2 (KCNA) -- The Chon Tu-hwan military fascist clique on January 31 held on "exercise for combat preparations posture" for chemical warfare by mobilizing a puppet army unit, according to a report from Seoul. The military fascist clique whipped up a war atmosphere, staging such exercise with the criminal "Team Spirit 86" war rehearsal ten days off.

The crime of the puppet clique which held even a war exercise in a simulated chemical warfare shows how wild this clique is running to impose an irrevocable holocaust upon fellow countrymen.

KCNA HAILS KIM CHONG-IL'S CARE, LEADERSHIP

SK010447 Pyongyang KCNA in English 0430 GMT 1 Feb 86

[Text] Pyongyang January 31 (KCNA) -- Dear Comrade Kim Chong-il is the great leader of the people who skillfully leads the revolutionary struggle and constructive work, perfectly personifying the rare wisdom, outstanding leadership ability and noble communist virtues. Saying that he himself is a son of working people, he always finds himself among the people and devotes his all to the people.

Every part of the country is associated with stories about his warm loving care to provide our people with a happier life -- he went down a pit of a mine thousands of feet underground to encourage miners in their labour and provided them with more convenient working and living conditions, visited a grocer's shop in a mountain village to acquaint himself with the quality of foodstuffs and demand for them and took measures to improve supply service for the people, and had heart-to-heart talks with management officials of a farm at the edge of a field to discuss with them the way for increasing agricultural production.

Under his warm love, the Changgwang Street of Pyongyang which is called a communist ideal street, and many other modern streets and service facilities, cultural and public health establishments and beautiful rural villages have made their appearance everywhere in the country, and automation has been carried out in various sectors of the national economy on an extensive scale to convert labour-consuming work into joyful labour.

Comrade Kim Chong-il holds the working people dearest and takes much care of the working people and looks after their health and lives with paternal affection.

When he dropped in a dormitory of workers, he told officials that the windows should be curtained with thick cloth for a sound sleep of the smelters back from a night shift. Visiting a power plant on the eve of its commissioning, he noticed a little higher percentage of humidity in the transformer room and gave instructions to take thoroughgoing labour safety measures, even if the commissioning ceremony had to be put off.

Countless are stories about his loving care in saving people from critical conditions by personally sending groups of famous doctors, rare medicines and even planes, including the story about a scaffold worker at the Kim Chaek iron and steel works who had been declared hopeless by modern medical science.

Always placing deep trust in our working class and other sections of people, their wisdom and courage, he guides them to creation and leap.

It was a shining fruition of the bold and ambitious operations unfolded by him with trust in our people that a 10 million-ton capacity dressing plant was built in one year, the workers of Ryongsong built a 10,000-ton power press in a little over one year.

Indeed, dear Comrade Kim Chong-il is a benevolent leader of the people who takes warm care of and guides all the people with noblest love for them.

PAPER ON STRUGGLE FOR ECONOMIC CONSTRUCTION

SK290950 Pyongyang Domestic Service in Korean 2119 GMT 28 Jan 86

[NODONG SINMUN 29 January editorial: "Let Us Vigorously Organize and Mobilize the Creativity of the Masses in the Struggle for Socialist Economic Construction"]

[Text] Elucidating the heavy economic talks of this year in his 1986 New Year address, the great leader Comrade Kim Il-song pointed to the need to vigorously spur the creative zeal of the masses of working people. In this 1986 New Year address, the great leader Comrade Kim Il-song taught: This year, we should vigorously accelerate socialist economic construction by properly and correctly organizing and mobilizing the creativity of the masses of working people. The masses of working people are those who are responsible for production. Therefore, when the masses vigorously launch into production, the potential for increased production, economization, and technological innovations emerges, and any difficult economic task can be smoothly overcome.

We should rely on the creativity of the masses this year, as the economic tasks facing us this year are more vast than ever before. This year, while vigorously accelerating the struggle to occupy the grand 10 major prospective targets of socialist economic construction, we should develop key industries and railway transportation and, at the same time, epochally increase the production of people's consumer goods by carrying out the revolution in the light industry sector. How we can fulfill all these tasks precisely depends on how we can spur the boundless wisdom and positive creativity of the masses. The miraculous successes attained in the Nampo lockgate construction and the northern district railway construction and by the working class of Yongsong and Nakwon machine plants last year show that only when we mobilize and spur the creativity of the masses can we effect amazing innovations.

Party organizations and functionaries should effect great upsurges in production by properly carrying out work with the masses as they did in the past period of the great upsurge of Chollima and the speed battle. We should ensure the brilliant implementation of all economic tasks of the party by seeing to it that all fronts -- ranging from coal mines, mines, iron works, and steel works to railway transportation, fishing operations, farm preparations, and new farmland cultivation battle -- seethe with the lofty revolutionary zeal of the masses.

Today, the zeal and fighting spirit of the working people, including our heroic working class, are very high. Therefore, when party organizations and functionaries organize and mobilize the masses' surging zeal and fighting spirit in our economic construction, greater successes can be expected in economic construction. To actively organize and mobilize the creativity of the masses, functionaries should go to lower units to mingle with the masses. Functionaries should boldly discard the work style of confining themselves to their offices and should work together with the working people in the production and construction sites where they are engaged in production and construction.

Guiding functionaries in the extractive industry sector should always go to and work at the blind ends in mine galleries where the colliers and miners work. Functionaries in the agricultural sector should go to and work at the farm fields where farmers work. In particular, it is important for functionaries at higher units to go down to the areas where workers and farmers live and work, and not stay in the offices of plants, enterprises, and cooperative farms.

Going down to lower units does not mean a visit for sightseeing purposes, but means to mingle with the masses of producers.

Functionaries should inculcate in detail the party's intent among those who are directly engaged in production and construction, should discuss with them ways for resolving problems that have arisen, should find reserves together with them, and should actively help them in resolving knotty problems.

Only when functionaries carry out work with the people, political work, in a substantial manner and sincerely study and ferret out ways for effecting innovations among the masses can they vigorously mobilize and spur the masses and find the value of their mingling with the masses at production and construction sites. It is also particularly important for party organizations to assess and praise the people, as an effort to spur the zeal of the masses, on the basis of their practical achievements.

For our working people, no honor is greater than being evaluated as those who have worked loyally for the party and the leader as well as for the fatherland and people. Those political and moral incentives are a powerful driving force to mobilize the masses. No other incentives can be compared with them. Therefore, like at advanced units such as Anju District coal mine complex, party organizations must meticulously plan the economic organizational work so that the practical achievements of each person may be correctly counted and evaluated. By so doing, they must regard those who have performed feats in their work as loyal persons and must have them honored whenever opportunities occur and actively encourage them to make exploits.

All sectors and units must deeply study and universalize the experience in their party organizational work, political work as well as in their propaganda and agitation work and economic organizational work. Only then can the revolutionary zeal of the masses be vigorously mobilized.

In mobilizing the masses vigorously, it is important to actively publicize and help unheralded patriots and hard-working people. Among our working people, there are many hard-working people who possesses a clean party conscience and work faithfully like the leading character of the art film "An Ordinary Person."

As the economy of the country expands and as many difficult economic tasks are presented, the spirit of working faithfully -- not in words but conscientiously and in a manner worthy of masters -- should be more highly displayed.

Party organizations must actively bring to the surface those true patriots who seek no personal honor but struggle for the party and revolution by devoting themselves. By so doing, they must properly conduct the work of highly praising and actively universalizing their unheralded exploits. We must objectively and efficiently carry out the movement to follow the examples of the unheralded heroes and many other mass movements, and must vigorously push ahead with the good-deed movement. By so doing, we must make true patriots emerge constantly and increasingly. To this end, it is important to actively carry out the organizational and political work to educate the masses with the positive examples set at one's own unit and to make them to actively follow the examples.

Providing all production conditions through the proper economic organizational work is very important to mobilize the zeal of the masses. Based on the correct analysis of the prevailing situation, economic guidance functionaries must mesh what should be meshed, and must conduct production guidance actively. By so doing, they must responsibly accomplish the task of providing materials, facilities, fuel, and other production conditions.

At the same time, by unearthing and mobilizing all hidden potentials, the materials and commodity supply work must be properly carried out for the working people. The revolutionary zeal of the masses must be actively promoted in doing this.

In organizing and mobilizing the creativities of the masses, it is particularly important to conduct work with scientists, technicians, and senior skilled workers. Technological revolution is the basic element of the economic development. Without the mobilization of the zeal of scientists and technicians, a turn in economic construction was unthinkable. Party organizations and functionaries must direct even greater party interest to work with scientists, technicians, senior skilled workers, and innovators, must actively support and encourage their innovative initiatives, and must responsibly push their scientific and technological work. In particular, social interest in the development of science and technology must be enhanced and the country and all sectors and units must be filled with an atmosphere of technological innovation.

KIM IL-SONG SENDS THANKS TO KOMDOK MINE COMPLEX

SK040446 Pyongyang Domestic Service in Korean 2200 GMT 2 Feb 86

[Text] The great leader Comrade Kim Il-song has extended thanks to the functionaries and working class of the Komdok Mine Complex. The working class of the Komdok Mine complex has attained the proud success of fulfilling their January production quota by index, by vigorously waging the struggle to increase the production of nonferrous metals by upholding the banner of the three revolutions -- ideological, technological, and cultural.

On 1 February the great leader Comrade Kim Il-song, upon receiving a report on this, sent a letter of thanks to the complex. In the letter of thanks, the great leader Comrade Kim Il-song said that he extends his own thanks and that of the party Central Committee to functionaries and the working class of the complex for their fulfillment of the January production quota by index.

The great leader Comrade Kim Il-song stressed that the Komdok Mine complex in the future should establish the habit of unconditionally fulfilling its production quota for this year without fail.

A meeting to convey the great leader Comrade Kim Il-song's letter of thanks was held on 1 February on the spot. The meeting was attended by functionaries concerned, including Chon Ha-chol, director of a department of the WPK Central Committee, with functionaries and workers of the complex. At the meeting the great leader Comrade Kim Il-song's letter of thanks was conveyed amid the enthusiastic applause of the participants. Following this, discussions were held. Those who participated in the discussion said: We cannot repress our surging emotional hearts in receiving the great political trust and care of the great leader who, highly appraising our small labor exploits that should be fulfilled as functionaries and the working class -- who are responsible for the great nonferrous metal production base of the country -- has extended more thanks than we deserve.

Those who participated in discussions pointed to the fact that despite his busy days of leading the revolution and construction the great leader has personally visited this complex on many occasions, has brilliantly elucidated the direction and methods which the complex should follow, and has warmly taken care of the livelihood of mine workers with a fatherly heart. They said: The great leader has elucidated in detail the programmatic task that this complex should continue to grasp this year.

The glorious party center has taken measures for regularizing mineral production at a high level for this complex, while providing great benevolence to the mine workers of the complex. They stressed that the fulfillment of the January production quota by index by mine workers of the Komdok complex is a brilliant result of the wise leadership and care of the great leader and our party. Then, they said that the participants in this meeting extend the greatest honor and the warmest thanks, with their unanimous hearts of loyalty, to the great leader Comrade Kim Il-song and the glorious party center that have bestowed today's happiness and joy on them.

Those who participated in discussions said that today functionaries and the working class of the Komdok Mine complex are faced with the honorable but heavy task of actively contributing to the development of the national economy and to improving the people's living by increasing mineral production. They also stressed that functionaries and the working class of the complex will not only overfulfill this year's production quota without fail, but will also expedite their February production quota by index. They stressed that all mine workers of the complex should, above of all, firmly rally around the party and more firmly prepare themselves to become chuche-type communist revolutionaries who thoroughly safeguard and implement the great leader's teachings and the party line and policy -- the embodiment of the teachings. They also referred to the need to boldly and broadly wage the technological innovation movement under the banner of the technological revolution and to introduce more modern extractive mining facilities and more reasonable mining work methods.

They stressed the need to highly demonstrate the revolutionary spirit of unconditionally fulfilling all assigned tasks to the end in a responsible manner and with a communist attitude toward labor while operating all available facilities and equipment at full capacity. They stressed that they will effect great upsurges in production and properly carry out the work of assiduously building mines and mining villages by properly organizing and coordinating facility, material, labor, and financial management.

Those who participated in discussions unanimously stressed the need for all functionaries of the complex to make the mine complex seethe with revolutionary zeal by inspiring the working class to advance along the single road of innovation, by regularizing the operational management of the complex in conformity with the demands of the Taaen work system, and by energetically organizing and leading production. They stressed that all functionaries and the working class of the complex should repay with loyalty the great leader's lofty political trust in and care for the mine workers of the Komdok Mine complex by demonstrating the spirit of unconditionally and absolutely following the great leader's teachings and the party's decisions. The meeting adopted a resolution.

CHOLLIMA STEEL COMPLEX OVERFULFILLS PLAN

SK021113 Pyongyang KCNA in English 1014 GMT 2 Feb 86

[Text] Pyongyang February 2 (KCNA) -- The Chollima steel complex, a giant iron and steel production base of Korea, as of January 31 carried out the January plan at 100.5 percent in rolled steel, 100.7 percent in seamless pipes and 110.7 percent in export goods. Steel shops Nos. 1 and 2 boosted the production 1.2 times above the like period last year. The daily production quotas of steel slab and rolled steel had been overfulfilled at the bloomery, rolling and material rolling shops. The actual production rate had been upped 1.3 times at seamless pipe shop No. 1.

WORKERS EFFECT INNOVATIONS IN POWER PRODUCTION

SK030439 Pyongyang KCNA in English 0420 GMT 3 Feb 86

[Text] Pyongyang February 3 (KCNA) -- The power industrial workers are effecting unprecedented innovations in hearty response to the militant tasks set forth by the great leader President Kim Il-song in his new year address. According to data available, the daily quotas are topped by an average of one million kilowatt-hour at the power stations under the commission of power industry.

The Pukchang thermopower complex, a leading power base of Korea, keeps production on the highest level since its commissioning by establishing a proper checkup and repair system of the generating equipment and controlling it on a scientific and technological basis. The coal mines under the complex have markedly increased coal output to help keep the generating equipment in full-capacity operation.

The Pyongyang thermopower plant is overfulfilling its daily plans through a scrupulous organization of production from the beginning of January. The hydraulic power stations across the country are increasing production by raising the efficiency of turbines and ensuring a high water-level operation. Many hydraulic power stations have overfulfilled their January assignments. The Taedonggang power station had hit its January target at 155.5 per cent, the March 17 power station at 138 per cent and the Mirim lock gate power station at 167.5 per cent by January 28.

The construction of power stations is under way to satisfy the growing demand for electricity. The construction of the Taechon power station, the Wiwon power station Construction. A mass campaign for building minor hydro power stations is going on briskly. Dozens of them are to be put into operation this year.

KEY INDUSTRIES OVERFULFILL JANUARY ASSIGNMENTS

SK020412 Pyongyang KCNA in English 0400 GMT 2 Feb 86

[Text] Pyongyang February 1 (KCNA) -- The workers at the factories and enterprises in the key industries of Korea overfulfilled their January assignments by their energetic endeavours. The Komdok General Mining Enterprise, a large-scale non-ferrous metal production base, carried out its January plan at 102.6 percent in total industrial output value and 102.1 percent in non-ferrous metal output by keeping ore production on a high level from the beginning of the year.

The Anju District coal mining complex honored its January commitments on all indices. Setting itself the goal of increasing the coal output 20 percent above last year's results, the coal miners of the complex have overfulfilled their daily quotas from the first-day work of the new year by introducing various cutting methods suitable to the coalseam conditions.

The January plan was also topped by the Musan mining complex. The Yongseong machine complex, a leading ordered equipment production base, hit its January plan on all indices. The workers of the complex who manufactured a 10,000-ton press last year have worked hard from the beginning of the year to produce ordered equipment needed in different domains of the national economy, including metal, mining, chemical and building materials industries. They produced in one month over 70 percent of the equipment necessary for the repair of the furnace of the Kim Chaek iron works.

Notably, they have wrought new miracles in the production of compressors so as to supply a large number of them to coal and ore mines.

The Kumsong general tractor works overfulfilled its January assignments for production of tractors "Chollima" and bulldozers "Pungnyon" as well as the gross industrial output plan. The works produced 400 more tractors in January than the figure in the same period of last year.

The Hwanghae iron and steel complex carried out its January plan on January 30 at 105 percent in total industrial output value, 105 percent in pig iron, 100 percent in steel and 102.4 percent in rolled steel.

These successes are attributable to the fact that the working class and three-revolution team members rationally planned production and organization of labour and launched a massive technical innovation campaign, upholding the intention of the party.

TECHNICAL INNOVATION EFFORT AT WORK IN INDUSTRY

SK020420 Pyongyang KCNA in English 0415 GMT 2 Feb 86

[Text] Pyongyang February 1 (KCNA) -- A massive technical innovation movement is going on with increasing vigor at industrial establishments throughout the country. New proposals for technical innovation are actively introduced at the Taean heavy machine complex, the Hwanghae iron and steel complex, the Kaechon District coal mining complex, the Northern Railway construction site and many other industrial establishments and construction sites to register big successes in production and construction.

Taking the lead in the movement are the "February 17 Shock Brigades of Scientists and Technicians" which have been dispatched to main domains of the national economy and the "April 15 Shock Brigades for Technical Innovation" at industrial establishments across the country. The "April 15 Shock Brigades for Technical Innovation" has manufactured tens of thousands of highly efficient machines and applied more than 320,000 technical innovation proposals to production in the past five years, thereby finding reserves for sharply boosting production while saving much labour and materials including rolled steel.

In recent years 50 persons or more have been awarded "technical innovation pioneer prize" and a lot of inventions have come forth. The number of the scientific and technological inventions in 1985 was double the 1984 figure. Nearly 100 workers and technicians received patent rights in the course of manufacturing the 10,000-ton power press at the Yongsong machine complex.

The pioneers in the technical innovation solved valuable scientific and technological questions and are raising economic effectiveness in production and construction. The Kim Chaek iron and steel complex applied more than 1,000 valuable technical innovation proposals to production in 1985. In this course it has lengthened the longevity of the converters to 520 rotations from former 320 and further consolidated the material and technological foundations of the metallurgical processes.

An energetic work for technical innovation is under way at the Komdok General Mining Enterprise. More than 440 technical innovation proposals have been introduced into production in the past five years by worker-students alone who study while at work. Ten of them were awarded patent rights for their contribution to the development of mining industry.

In railway transport, the carriage and transit capacities have been increased and big successes were made in the building of new railways and in the production of rolling stocks through the application of more than 8,500 technical innovation proposals over the last five years.

In the light industry big strides have been made in converting textile machines into high-speed ones and reconditioning them to boost production with home materials.

Many efficient farm machines and implements have been contrived and manufactured in the agricultural domain.

WORKERS BRING ABOUT UPSURGE IN 1986 PRODUCTION

SK310454 Pyongyang KCNA in English 0416 GMT 31 Jan 86

[Text] Pyongyang January 30 (KCNA) -- Working people of Korea are effecting an upsurge in production from the beginning of the year in hearty response to the new year address of the great leader President Kim Il-song.

The miners of the Musan mining complex fulfilled the January assignments by 100.3 per cent in total industrial output value, 100.2 per cent in concentrated ores and 102.9 per cent in earth scraping as of January 28.

In this period the miners scraped 300,000 cubic metres more of earth than in December last year.

The fertilizer producers across the country including those of the Hungnam fertilizer complex overfulfilled their daily quotas by keeping production on a high level from the first day of the year.

The Kaechon District coal mining complex set itself the target of increasing capital tunnelling 9 per cent and coal production 21 per cent in the first quarter of the year as compared with the corresponding period last year and is overfulfilling their daily plans.

The Sunchon District coal mining complex has of late boosted coal output 50 per cent above that at the beginning of the month, by lifting the output per cutting fact.

Power producers of the country keep power production on a high level.

The Pukchang thermal power complex has increased electricity output 15 per cent above that in the second ten days of the month, entering the last ten-day period.

The Taedonggang power station keeps its daily output at a high level to hit its daily targets at 110 per cent in the spirit with which they overfulfilled the first ten-day plan.

An innovation is reported in timber production, too. Forestry stations under the Chagang Provincial General Bureau of forestry and the North Hamgyong Provincial Forestry Administration are producing more timbers than their daily quotas.

FOREIGN MINISTRY ATTEMPTS TO VERIFY KIDNAPPERS

SK040032 Seoul THE KOREA TIMES in English 4 Feb 86 p 1

[Text] Four hitherto little-known groups have surfaced in connection with the kidnapping Friday of To Chae-sung, second secretary at the Korean embassy in Beirut. A Foreign Ministry spokesman said that the "Fighting Revolutionary Cells" which came out yesterday with a polaroid photo of To seemed to be the most credible in its abduction claim. He, however, added that his ministry could not get any information about the nature or background of the group. Officials at the task force formed to deal with the abduction declined to comment when asked if the group sent To's photo to the Korean embassy in Beirut.

Since the groups were reported by Lebanese media as being possibly involved in the incident, the Foreign Ministry has been exerting efforts to validate the reports, but failed to do so. The Moslem fundamentalist Hezbollah movement was first reported by the Christian Voice of Lebanon as being suspected of having taken To, but Beirut police declined comment on the report. The other two -- Al-Mustadyafin Fi al-'Alam and the Green Brigades -- claimed responsibility in the kidnapping in telephone calls to radio stations.

A Foreign Ministry spokesman said that his ministry had failed to determine the nature of the two groups, in spite of a wide range of contacts with knowledgeable individuals and organizations. Hezbollah, which means "Party of God," was formed in Lebanon in 1982. It belongs to the Shiite faction and keeps close links with Iran while pursuing Islamic fundamentalism, he said. "Al-Mustadyafin Fi al-'Alam" was reported by the Moslem Voice of the Nation T.V. channel 7 as being involved in the abduction. In an urgent news bulletin around 9:05 p.m. Saturday (4:05 a.m. Sunday KST), the radio said that an anonymous caller claimed that To was in the hands of his group. In a cable that reached the ministry at 5:32 a.m. Sunday, the Korean embassy in Beirut quoted the caller as threatening that another diplomat would be abducted, if his demands were not met by Feb. 9. It was not clear whether a Korean or another foreign national would be the next target.

Another unknown group, named the Green Brigades, on Sunday claimed responsibility for the abduction of the first Asian diplomat stationed in Beirut. Foreign Ministry officials at the task force formed to deal with the abduction said they had no information about "Al-Mustadyafin Fi al-'Alam," meaning "the Oppressed in the World." About the Green Brigades, the officials refused to comment on whether they know about the group. The task force, which was expanded by including all five officials at the Near East Division, worked round-the-clock yesterday, as it has since Friday.

NORTH ENVOY DENIES TIE WITH BEIRUT KIDNAPPING

SK040357 Seoul CHOSON ILBO in Korean 4 Feb 86 p 3

[By Beirut Correspondent Yun Ho-mi]

[Excerpt] It is reported that the police investigation authorities here visited the North Korean Embassy in Beirut in connection with the kidnapping of ROK diplomat To Chae-sung. Paek Sok-nip, North Korean charge d'affaires, is reported to have said that North Korea has nothing to do with the incident, and that there will soon be a statement with regard to it.

CHON ON UNPROFITABLE OVERSEAS CONSTRUCTION

SK040038 Seoul THE KOREA TIMES in English 4 Feb 86 p 1

[Text] President Chon Tu-hwan instructed the Construction Ministry yesterday to guide Korean construction firms to an early withdrawal from their overseas projects if they proved unprofitable. Chon predicted that the Korean construction companies' business abroad may take a turn for the worse in the days ahead due to aggravating financial difficulties in Middle East nations amid falling oil prices.

While being briefed on this year's policies by Construction Ministry Yi Kyu-hyo at Chongwadae, Chon told the ministry to work out measures to cope with the quandaries in the overseas construction business. The chief Executive called for greater administrative guidance for the construction firms to restrain them from excessive competition in overseas construction markets.

He spoke of the need for balanced regional development as a means to curb the concentration of population into the capital city of Seoul and some other urban communities. The ministry was asked to map out measures to check real estate speculation without fail when it draws up new land development projects.

Chon told minister Yi to exclude from the government-sponsored public projects construction firms which were found to have built highways in a sloppy manner. He stressed that various regulations on the utilization of land and land development should be continuously supplemented in such a way as to meet the specific features of the regions and changes of living conditions.

TRADE ORGAN TO COUNTER U.S. PRESSURE ESTABLISHED

SK030205 Seoul YONHAP in English 0150 GMT 3 Feb 86

[Text] Seoul, Feb. 3 (OANA-YONHAP) -- The South Korean National Assembly Monday set up a trade subcommittee under its Trade-Industry Committee to help counter mounting U.S. pressure on Korea to open its markets to U.S. products. The 11-member subpanel will be briefed by the government on recent U.S.-Korean trade negotiations about ways to reduce the growing trade friction between Seoul and Washington, an assembly official said Monday.

As part of its trade diplomacy, the subcommittee will send a delegation to the United States to explain Korea's position on the trade friction to U.S. congressional leaders, the official said.

Rep. Yun Kuk-no, chairman of the Trade-Industry Committee, told reporters that, in accordance with the government's trade strategy toward the U.S. Government and U.S. business circles, the assembly should give indirect aid to the government through parliamentary trade diplomacy. The panel will develop a proper plan of support for the government's trade policy, Yun said, because the ruling Democratic Justice Party (DJP) and the major opposition New Korea Democratic Party (NKDP) agreed in a regular house session last fall to work together on trade issues. In addition, the subcommittee will review all of Korea's trade regulations and laws, after studying the strategies of other Asian nations concerning trade disputes, he said.

The subcommittee, which is headed by Rep. Yi Sang-hui, comprises six DJP lawmakers, four NKDP legislators and one lawmaker from the minor opposition Korea National Party (KNP).

NKDP SUSPENDS MEMBERSHIP OF TWO LAWMAKERS

SK010023 Seoul THE KOREA TIMES in English 1 Feb 86 p 1

[Text] The caucus of the major opposition New Korea Democratic Party [NDP, NKDP] yesterday made a final decision to suspend the party memberships of Reps. Cho Yun-ha and Kim Ok-son for two years for defying a party order in a by-election of a National Assembly vice speaker.

The returns in a secret vote were 63 in favor of the punishment, 12 against it and four abstentions in the case of Cho, who was elected vice speaker. As for Miss Kim, they were 69:9:1.

Of the total 90 NDP Assemblymen, 79 attended the voting. Cho, who also showed up at the caucus, was not given the right to vote. Miss Kim and most of the remaining lawmakers are on overseas trips.

Cho and Kim defied the party order and ran for vice House speakership last October. Cho defeated the formal party candidate, Rep. Yi Yong-hui, in the election.

During the suspension of their party membership, the two lawmakers cannot attend any meetings of the NDP and will be dismissed as chiefs of local chapters. The two were members of the Executive Council, the top decision-making body of the NDP. Cho heads the Seoul Kuro local chapter and Kim Puyo-Sochon-Poryong Chapter, Chungchong-Namdo.

However, they will retain their seats as lawmaker and, in the case of Cho, he will also keep his vice House speakership.

Upon hearing the results of the voting, the 61-year-old vice House speaker said, "Even though the party forsakes me, I will not forsake the party." He made it clear that he would not resign as vice Assembly speaker "because it is not my personal matter, but a matter of the legislature."

Prior to the voting, however, party president Yi Min-u said that the party will soon reinstate the two lawmakers' membership if they "repent" on their deeds.

NEW CONSERVATIVE CLUB ON DEFECTIONS FROM NKDP

SK040022 Seoul THE KOREA HERALD in English 4 Feb 86 p 1

[Text] Rep. Chong Chae-won, spokesman for the New Conservative Club, yesterday criticized that the New Korea Democratic Party's demands for constitutional amendment for direct presidential election will satisfy "only a limited number of persons."

Denouncing the NKDP-envisaged signature campaign, for pushing the revision of the basic law, Chon said "it will only tire the people and may produce serious results."

Chon also hinted that a follow-up defection of some NKDP lawmakers is imminent, saying that four have already promised to bolt from the party shortly after Kim Yong-sam joins the main opposition party. But Chon declined to disclose the names of those potential defectors.

The current 12 members of the club bolted from the NKDP Dec. 31 last year and it needs eight more lawmakers to form a floor negotiation body.

10TH NATIONAL ASSEMBLY SESSION OPENS 4 FEBRUARY

BK040607 Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Feb 86

[Text] At 0800 on 4 February, the 10th session of the 1st National Assembly opened solemnly at the National Assembly's cabinet. Attending in the presidium on this occasion were, among others, Comrade Heng Samrin, general secretary of the KPRP Central Committee, chairman of the Council of State, and National Assembly member from Phnom Penh; Comrade Chea Sim, Political Bureau member, National Assembly chairman, KUFNCD National Council chairman, and National Assembly member from Prey Veng; Comrade Hun Sen, Political Bureau member, chairman of the Council of Ministers, minister of foreign affairs, and National Assembly member from Kompong Cham; Comrade Say Phuthang, Political Bureau member, chairman of the KPRP Central Committee's Control Commission, vice chairman of the Council of State, and National Assembly member from Phnom Penh; Comrade Chea Soth, Political Bureau member, vice chairman of the Council of Ministers, minister of planning, and National Assembly member from Kandal; Comrade Mat Ly, Political Bureau member, vice chairman of the National Assembly, chairman of the Kampuchean Federation of Trade Unions, and National Assembly member from Kompong Cham; Comrade Men Sam-an, Political Bureau member, chairman of the KPRP Central Committee's Organization Commission, and National Assembly member from Battambang; and Superior Bonze Tep Vong, vice chairman of the National Assembly, vice chairman of the KUFNCD National Council, and National Assembly member from Siem Reap-Oddar Meanchey. Also attending were heads of all state institutions and mass organizations and National Assembly members from all 20 constituencies. The ambassadors, charges d'affairs, and embassy representatives of friendly countries accredited to the PRK were also on hand.

In his opening speech, Comrade Chea Sim voiced great satisfaction with and high appreciations of the rapid, ceaseless growth of the National Assembly in the interval between the 9th and 10th sessions of the 1st legislature. He stressed that all successes achieved so far certainly reflect the efforts of National Assembly members from each constituency and especially the personal efforts of our people throughout the country who have pooled their strengthened intelligence, and all other resources to contribute actively to defending the fatherland and revolutionary gains.

Comrade Chea Sim also stressed that during this session our National Assembly will hear a report on the Council of State's activities between the 9th and 10th sessions; a report of the Council of Ministers on the implementation of the socioeconomic plan and on the situation concerning the implementation of the 1985 financial and budgetary tasks and on the goals of the socioeconomic, financial, and state budgetary tasks for 1986; and report of the Legislative Committee, the Economic and Budget Committee, and of the Cultural, Educational, and Social Committee of the National Assembly.

Leaders Lay Wreaths

BK040527 Phnom Penh Domestic Service in Cambodian 0430 GMT 4 Feb 86

[Text] On the occasion of the opening of the 10th session of the first National Assembly of the PRK, at 0730 GMT on 4 February the members of the PRK National Assembly laid wreaths and paid tribute to the combatants, cadres, and people who have sacrificed their lives for the fatherland and socialism at the monument to Cambodian fallen combatants and the monument to Vietnamese soldiers.

Among those present on this occasion were Comrade Heng Samrin, general secretary of the KPRP Central Committee, chairman of the Council of State, and National Assembly member from the Phnom Penh constituency; Comrade Chea Sim, Political Bureau member of the KPRP Central Committee, chairman of the National Assembly and of the KUFNCD National Council, and National Assembly member from the Prey Veng constituency; Comrade Hun Sen, Political Bureau member of the KPRP Central Committee, chairman of the Council of Ministers, minister of foreign affairs, and National Assembly member from the Kompong Cham constituency; Comrade Say Phuthang, Political Bureau member of the KPRP Central Committee, chairman of the KPRP Central Committee's Control Commission, vice chairman of the Council of State, and National Assembly member from the Phnom Penh constituency; Comrade Chea Soth, Political Bureau member of the KPRP Central Committee, vice chairman of the Council of State, minister of planning, and National Assembly member from the Kandal Constituency; Comrade Mat Ly, Political Bureau member of the KPRP Central Committee, vice chairman of the National Assembly, chairman of the Kampuchean Federation of Trade Unions, and National Assembly member from the Kompong Cham constituency; Comrade Men Sam-an, Political Bureau member of the KPRP Central Committee, chairman of the Central Committee's Organization Commission, and National Assembly member from the Battambang Constituency; and National Assembly members from the 20 constituencies.

HEALTH COOPERATION ACCORD SIGNED WITH HUNGARY

BK311306 Phnom Penh Domestic Service in Cambodian 0430 GMT 31 Jan 86

[Text] On the afternoon of 29 January, Comrade Dr Yit Kimseng, minister of health, and Comrade Dr Imre Hutás, state secretary of the Health Ministry of the Hungarian People's Republic, signed an accord on cooperation in the health field between the two countries for the period 1986-1990.

Under the terms of the accord, which is effective from 1 January 1986 to 31 December 1990, the two parties will produce documents on the annual plans of scientific research and will inform each other of the results achieved in the medical field. The two parties promise to conduct exchanges in the medical field by informing one another about bacteria, viruses, poisons, serums, and vaccines which are necessary for medical research. The two parties will also exchange experts. The Hungarian party will accept Cambodian experts for training for a period of 60 months and the Cambodian party will accept two Hungarian experts per year for a period of 4 years. The Hungarian party also agrees to treat Cambodian patients in the Hungarian People's Republic.

SON SANN SEEKS TO MEET GEN SAK ON KPNLF RIPT

BK010249 Bangkok BANGKOK POST in English 1 Feb 86 p 18

[Text] Khmer People's National Liberation Front leader Son Sann has invited his rival, Gen Sak Sutsakhan, to meet him for talks aimed at finally settling the two-month-old rift within the group, the BANGKOK POST learned yesterday. An informed KPNLF source told the POST yesterday that the invitation had been extended to Gen Sak, leader of the dissident Provisional Central Committee for Salvation (PCCS), on Thursday. The source added that Son Sann issued the invitation through a representative whom he did not name. It was not known last night whether Gen Sak has agreed to meet Son Sann.

"The president (Son Sann) is ready to talk anytime and has always maintained that the door is open (for talks)," the source said. The source said Son Sann still regarded Gen Sak as the commander-in-chief of the KPNLF.

This latest move by Son Sann follows meeting on Tuesday of all KPNLF base commanders who aired their views over the form of compromise agreeable to PCCS and Son Sann's side. "For the best interest of our struggle, Gen Sak should realise that now is the time to come up with a constructive solution," the source said. The source said that "friends" of the KPNLF had become "more impatient" with the ongoing rift. The Joint Military Command, the grouping of military staff of the KPNLF and the Sihanoukists would, in the meantime, be suspended, they said.

PCCS' GEN SAK INTIMATES PLANS TO QUIT KPNLF

BK010248 Bangkok THE NATION in English 1 Feb 86 p 2

[Text] Khmer dissident faction leader Gen Sak Sutsakhan has hinted that he may quit because he has been deprived of his force. The move to isolate him from his force is seen as an attempt to force a divided Khmer leadership to patch up their rift.

Informed sources said that eight base commanders and two other military officers of the trouble-plagued Khmer People's National Liberation Front (KPNLF) formed a committee at a meeting Tuesday evening to dissociate themselves from the leadership crisis and concentrate on fighting instead. The committee will receive direct aid from donor countries and will not deal with either Sak's dissident faction or the faction led by KPNLF President Son Sann. The meeting Tuesday evening was told that both Son Sann and Sak will be kept in the movement as president and commander-in-chief respectively. The measure is understood to be temporary pending settlement of the dispute in the top echelon.

The move in effect tipped the scales in favour of the loyalist faction led by Son Sann and dismayed Gen Sak, who chaired the rebels' Provisional Central Committee for the Salvation of the KPNLF (PCCS). Sak wrote a letter to a friend Thursday to air his grievances. His mood touched off speculation that he may call it quits and fly back to the U.S. Observers, however, said there is a possibility that neutral backers would soon move to dissuade him from the idea by "patting him on the back." His defection could be followed by key aides in the PCCS and the KPNLF Armed Forces High Command. That undesirable event could be a setback for the resistance armed force.

Tuesday's move was seen as aimed at preventing a showdown between the two rival factions, as it came hot on the heels of the mediation bid last Sunday which ended in deadlock. In Sunday's meetings, Son Sann rejected demands from the dissident faction that he accepted the honorary but powerless post of president and that his Executive Committee [EXCO] be replaced with the PCCS as the top policymaking body of the Front. Before the meetings, Gen Sak wrote a letter to Son Sann threatening that Son Sann would be de-recognized as a leader in the movement if he failed to accept the demands.

On the other hand, Sak's grouping also rejected the proposal for a "separation of powers" during Sunday's meeting. A few days earlier, Son Sann wrote to Sak that he would like to hand an allocation, earmarked for base commanders to cover management costs, directly to either Sak or Dien Del at an Exco meeting on Monday. Sak refused to show up on grounds that his presence would imply acceptance of Exco.

Diplomatic sources said that the move was imperative to prevent the continuation of the conflict. One said that donor countries could not deal with "two heads." Son Sann, they said, should be kept as president so that the Kuala Lumpur agreement on the formation of the Coalition Government of Democratic Kampuchea (CGDK) would remain intact.

A diplomatic source said he hoped that following the latest development, the two factions would get together and work out a separation of powers whereby they would stay together. He hinted at the possibility of a merger of the PCCS and Exco.

Referring to speculation that Sak may call it quits, the source said that Sak was committed to the struggle against the Vietnamese. "He is now very upset but perhaps he will recuperate within the next few days," the source said.

Following Tuesday's meeting, five of the 10 commanders rushed to Sak's office while three others made it to Son Sann's office to report on the outcome. The commanders who went to Sak's house were Gen Dien Del, Bak Roneas Base Commander Gen Pan Thay, Thlok Base Commander Gen Pan Thay, Thlok Base Commander Gen Thu Thip, Rithisen Base Commander Liv Ne and Chhum Cheang, commander of a security force under Prasat Tbeng Commander Ta Mang. Chhum Cheang, however, did not attend the meeting between Sak and his followers. The other group was composed of Nong Chan Base Commander Chea Chhut, Sok San Base Commander Prum Vit, and Nam Yuen Base Commander Keo Chuon. The others were Ta Mang, who opted to visit his wife who is in hospital, and Sopheak Rachana, commander of O'Bok Base.

DK FORCES SWEEP AREAS NORTH OF PHNOM PENH

BK030720 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 2 FEB 86

[Text] On the morning of 29 January, our national army swept up and dismantled the Vietnamese commune administrations along the Mekong River bank from Roka Kong Township in Muk Kampul District to Angkor Ban commune in Kang Meas District north of Phnom Penh -- a stretch 35 km long. As a result:

1. We killed or wounded a number of Vietnamese soldiers and destroyed 35 assorted weapons and a 500-ton ship loaded with goods.
2. We seized 40 assorted weapons and some war materiel.
3. We liberated Roka Kong township in Muk Kampul District and Thlok Chreou Township in Kang Meas District and 10 communes, including Roa Kong and Anlung Koki communes in Muk Kampul district and Roka Ar Kraom, Roka Ar Leu, Khchau, So Kong, Boeng Trav, Reay Pay, and Angkor Ban communes in Kang Meas District. We freed many inhabitants in these 10 communes and hundreds of Cambodian soldiers there.

After this liberation many inhabitants, teachers, students, commune and village administrators, commune and village guerrillas, and Cambodian soldiers there expressed their warmest welcome to our national army which liberated them from the cruel administrations of the Vietnamese enemies. They expressed their great indignation at the Vietnamese enemy and strongly condemned them. At the same time, many teachers and students condemned the Vietnamese aggressors for attempting to brainwash the Cambodian children and eliminate the Cambodian national soul and culture, and for forcing Cambodian children to pay respects to Ho Chi Minh's picture, to be grateful to the Vietnamese aggressor troops, and to recite slogans about Cambodia-Vietnam special friendship and solidarity and about Vietnamese benefactions for the Cambodians and Vietnamese heroism. After expressing their indignation against the Vietnamese enemy, these teachers, students, and people collected Vietnamese history books, documents, flags, slogans, and Ho Chi Minh pictures from schools, commune offices, and various other offices and set fire to them.

The people there were very happy and pledged to support and join with our national army combatants in launching all forms of struggle against the Vietnamese aggressors.

THAI 'ALLEGATIONS' ON ATTACK, OVERFLIGHTS DENIED

BK040542 Vientiane Domestic Service in Lao 0500 GMT 4 Feb 86

[3 February "statement" by PATHET LAO NEWS AGENCY]

[Text] On 3 February, the office of the PATHET LAO NEWS AGENCY was officially authorized to issue a statement denying the allegation of the Thai reactionary authorities as follows:

On the morning of 3 February 1986, the Voice of America reported that Mr Danai Ketsiri, governor of Ubon Ratchathani Province, had accused Lao soldiers of attacking a Thai village located opposite Laos' Savannakhet Province. Earlier, the Thai Armed Forces Supreme Command issued a statement on 23 January 1986 charging that Lao warplanes had violated Thai airspace over Nong Khai Province.

These allegations of the Thai side are groundless, and are merely fabrications cooked up with the ill intention of maintaining the tense situation in the region with a view to turning irate Thai public opinion away from the seriously deteriorating economic situation in the country and to creating a favorable condition for the joint military exercises under the name "Cobra Gold" to be organized between Thailand and the United States in the Thai-Cambodian border area. The said fabrications reflected another effort of the Thai reactionary authorities to oppose the good intentions of the Lao side which seeks to promote and expand the good-neighborly relations and mutual cooperation between the peoples of Laos and Thailand. The fabrications have particularly been designed to oppose the proposal for talks between the government of the Kingdom of Thailand and of the LPDR as advanced once again by the foreign ministers of Laos, Cambodia, and Vietnam in their communique issued following their recent 12th conference in Vientiane. Therefore, the Thai side must bear full responsibility for all the consequences arising from their fabrications and must immediately put an end to all its unreasonable allegations.

SOUPHANOUVONG OPENS SPC SESSION 30 JANUARY

BK301441 Vientiane Domestic Service in Lao 0500 GMT 30 Jan 86

[Text] The 1986 plenary session of the SPC was majestically opened in Vientiane capital this morning under the chairmanship of Souphanouvong, president of the LPDR and chairman of the SPC and the Lao Front for National Construction in the presence of the vice chairmen and members of the SPC, members of the constitution drafting committee, and members of the election law drafting subcommittee. Attending the opening ceremony of the session were Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers; vice chairmen of the Council of Ministers; and several members of the Council of Ministers.

At the glorious opening ceremony, Souphanouvong delivered a speech officially opening the session.

[Begin recording] Respected and beloved Mr General Secretary and Chairman of the Council of ministers; respected vice chairmen of the Council of Ministers, member of the Council of Ministers, and distinguished guests; beloved members of the SPC Standing Committee and of the SPC:

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Ten years in the life of the SPC have passed. Every time we convene either an ordinary or extraordinary plenary session, I am very happy to welcome all the members of the SPC.

Today my elation is even more significant because I see the SPC members who have crossed the historic mark of 10 years of the life of our state with a sense of confidence, steadfastness, and faith in fulfilling the historic tasks and responsibilities entrusted us by the national congress of the people's representatives.

I am also elated because we have the honor to welcome Comrade General Secretary and Chairman of the Council of Ministers Kaysone Phomvihane, who in the past 10 years has graciously attended the SPC plenary meetings in his capacity as general secretary of our party and as chairman of the Council of Ministers to present political reports and reports on the administration of the country with a high sense of responsibility, which clearly displays his attention, concern, and affection toward the Lao people of all tribes and laboring people. He is a worthy leader much loved and respected by our people of all tribes. [applause]

My elation also comes from my having the honor to welcome all the vice chairmen and members of the Council of Ministers, who always make themselves available to attend our plenary meetings. [applause]

On the occasion of our entry into the 2d decade of the life of our state and new regime, I would like wholeheartedly to hail our fine record at this session. [applause]

Respected dignitaries, our SPC and our former government, which is the current Council of Ministers, have taken joint responsibility for administering the LPDR in accordance with the laws and regulations and by coordinating our roles and implementing the line and policies outlined by our party with a high sense of unity and unification.

The SPC has executed its responsibilities and duties in accordance with its role as an organization of state power by discussing and approving the orientations and plans presented by the Council of Ministers. These include the 6-month plan, the annual plan, the 3-year plan, and the first 5-year state plan, and a number of laws, and the budget legislation which is the fundamental legal basis for the Council of Ministers in managing and administering the state and society. This ensures the fulfillment of the two strategic tasks of defending the country and building a socialist society, whose achievements were celebrated by all of us on 2 December 1985 and were fully reported in the speech delivered by the comrade general secretary and chairman of the Council of Ministers. These achievements and victories have created the conditions for us to enter a new stage of the revolution with a firm sense of new accomplishments and successes.

The year 1986 raises the curtain for us to enter a new decade and to launch new long-term and medium-term plans as well as the 1986 plan. It is also a year in which all of us will unite and work together to score achievements to welcome the fourth party congress.

Therefore, the contents of our session will include many issues which were recently outlined at the ninth plenum of the party Central Committee, including the tasks of the Council of Ministers and those of the SPC. The Council of Ministers will present the following documents for deliberation and consideration by the SPC: the political report, which will be presented by the chairman of the council of ministers; the report on the implementation of the 1985 state plan and the orientation of the work which must be carried out by our state; the report on the administration of the 1985 state budgets; and the draft plan on revenue and expenditure in the 1986 state budgets.

At this session, the SPC Standing Committee will present an overall report on the SPC's activities over the past 10 years between 1975 and 1985, the orientation of work between 1986 and 2000, the orientation of work for 1986, and a report on the execution of the central task of writing the draft constitution and the draft election law, the former of which has already been compiled.

With regard to the central task of the SPC, we will discuss certain outstanding issues in this task so that we can contribute new ideas and views for consideration by the committee in charge of compiling the draft constitution and the draft election law.

We have already created a tradition of contributing collective wisdom to our meetings in the past 10 years. At this session, the profound nature of our work calls on all of us to make even more contributions so that a thorough plan can be worked out.

Once again, on this auspicious occasion I would like to thank the comrade general secretary and chairman of the Council of Ministers for honoring us by presenting the important document of the Council of Ministers.

I wish you good health so that you can lead us to new and greater successes. I would like to thank all distinguished guests for attending the opening ceremony of our meeting. I wish all of you good health and success in implementing the new management mechanism.

In conclusion, I warmly wish all of the members of the SPC good health so that you will joyously contribute to fulfilling the expectations of the meeting raising the curtain on this new decade for us. I now declare open the 1986 plenary session of the SPC.
[applause] [end recording]

Session Ends; Decrees Adopted

BK031024 Vientiane KPL in English 0907 GMT 3 Feb 86

[Text] Vientiane, February 3 (KPL) -- The 1986 Ordinary plenary session, of the People's Supreme Assembly [PSA], in conclusion of its discussion here Saturday, has adopted a number of decrees.

The decree 02 [as received] stipulates that the PSA's standing committee will lay down guidelines of tasks from 1986 until 2000, of the second 5-year plan (1986-1990), and of the 1986 action plan.

The decree 03 says that the PSA has adopted the fundamental draft of the first constitution of the Lao PSDR and the electoral law prepared by the PSA's standing committee and other commissions concerned. The decrees 04 and 05 respectively define the targets of the 1986 action plan and endorse the implementation of the 1986 budget.

In his closing speech, President of the Lao PDR and the PSA Souphanouvong pointed out that the implementation of the new management mechanism is of great historical importance to the Lao PDR moving on its path of economic development.

The president further appreciated the past great efforts and achievements in the national development. He encouraged all PSA's members to do their best to fulfil their tasks in order to meet the interests of the working and labouring people of all nationalities.

VNA REJECTS THAI 'SLANDEROUS ALLEGATION'

BK031605 Hanoi VNA in English 1534 GMT 3 Feb 86

[Text] Hanoi VNA Feb. 3 -- According to foreign sources, over recent days the Thai authorities have time and again made slanderous charges that Vietnamese Armed Forces have infringed upon the Thai territory. More serious still, they stated that, compelled to take acts of reprisal, Thai troops might mount attacks across the border on Vietnamese forces stationed in Kampuchea.

VIETNAM NEWS AGENCY is authorised to flatly reject the Thai rulers fabrications which are aimed at covering up their new adventurous schemes and acts including the intensification of their bombardments of and armed intrusions into Kampuchean territories alongside providing sanctuaries for the genocidal Pol Pot clique and other Khmer reactionary forces to oppose the People's Republic of Kampuchea. They will be responsible for all the consequences arising from their erroneous acts.

COUNCIL OF STATE HOLDS SESSION 30 JANUARY

BK311500 Hanoi Domestic Service in Vietnamese 1430 GMT 31 Jan 86

[Text] On 30 January the SRV Council of State held its regular session under the chairmanship of Truong Chinh. Also present was nationalities Council Chairman Hoang Truong Minh.

1. The Council of State reviewed its 1985 inspection and control tasks.
2. At the proposal of the SRV Council of Ministers, the Council of State ratified the SRV-PRK Treaty of Border Delimitation signed in Phnom Penh on 27 December 1985, and the SRV-LPDR consular agreement signed in Vientiane on 20 November 1985.
3. The Council of State heard a report on the results scored by the SRV Government delegation to the 41st CEMA special conference in Moscow 17-18 December 1985.
4. At the proposal of the Council of Ministers, the Council of State decided that Comrade Tran Phuong is relieved of the position of vice chairman of the Council of Ministers.
5. The Council of State appointed a number of Vietnamese ambassadors extraordinary and plenipotentiary to various countries.
6. The Council of State decided on some issues concerning the adjudication work of the Supreme People's Court.

ARMY PAPER SCORES U.S. MILITARY BUILDUP PLAN

BK261127 Hanoi International Service in English 1000 GMT 26 Jan 86

[Text] The Army paper QUAN DOI NHAN DAN Sunday criticizes the U.S. plan to set up a new military base on the Palau Archipelago in the southwestern Pacific. The paper says: By so doing, the United States is attempting to increase its military presence in Southeast Asia and the southern Pacific.

SENIOR GENERAL VAN TIEN DUNG VISITS FACTORY

BK020402 Hanoi Domestic Service in Vietnamese 1430 GMT 1 Feb 86

[Text] On 31 January, Senior General Van Tien Dung, member of the party Central Committee Political Bureau, secretary of the Military Commission of the party Central Committee, and minister of national defense, paid a visit to cadres, workers, and employees of Factory Z of the General Technical Department. He was accompanied by Lieutenant General Le Van Tri, director of the General Technical Department.

After informing the minister of the factory's production status, the director of the factory gave him a guided tour of various key workshops, the workers' living quarters, and the factory's day-care center.

Cordially addressing the factory's cadres, workers, and employees, Minister Van Tien Dung warmly commended the factory's outstanding achievements in the past, especially in recent times. He said that the factory's products must attain the highest possible level of reliability to satisfactorily support the Armed Forces' efforts in combat and in maintaining combat readiness. He said: You yourselves must always be examples of the character of the working class and the traditions of the Vietnamese Army and ordnance workers.

On behalf of the Military Commission of the party Central Committee and the Ministry of National Defense, Minister Van Tien Dung wished the factory's cadres, workers, and employees good health, happiness, success, optimism, and confidence in the future.

VO VAN KIET REVIEWS DEVELOPMENT CHARTS

BK010334 Hanoi Domestic Service in Vietnamese 1430 GMT 31 Jan 86

[Text] On 28 and 29 January 1986, Comrade Vo Van Kiet, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, head of the State Planning Commission, and chairman of the Central Committee for Economic Zoning, reviewed on behalf of the Council of Ministers chairman the rough charts of production force development and distribution for Dac Lac and Binh Tri Thien Provinces -- the second and third provinces having such charts reviewed following Hoang Lien Son Province, whose chart was reviewed 11 years ago.

Based on an earlier review by the Central Institute of Zoning and Planning and on the proposals and observations unanimously made by the various sectors, Comrade Vo Van Kiet approved the rough charts for Dac Lac and Binh Tri Thien Provinces and pointed to some issues needing further study.

These two provinces are permitted to use the approved charts for reference in guiding and formulating annual and 5-year plans; reviewing and supplementing plans at the district, sectorial, and grass-roots levels; and building major provincial projects. In particular, these provincial charts can be used for the large-scale labor redistribution plan that is being actively carried out in the spirit of the party Central Committee's ninth plenum resolution.

At present, other provinces and municipalities are earnestly completing their rough charts of production force development and distribution to prepare to formulate the 1986-90 5-year plan in time for the sixth party congress.

DEPARTMENT REVIEWS AGRICULTURAL PRODUCTION

OW310605 Hanoi Domestic Service in Vietnamese 1100 GMT 30 Jan 86

[Text] According to a notice by the Statistics General Department, by 25 January, the southern provinces had completed harvesting 1,118,000 hectares of the 10th-month rice, or nearly 76 percent of the cultivated area, with nearly 840,000 hectares reaped in the Mekong Delta, or 70 percent of the cultivated area.

Harvesting has been basically completed in the provinces of Lam Dong, Thuan Hai, Ben Tre, Minh Hai, Long An, Dong Nai, Song Be, and Tay Ninh, with initial rice yields in a number of localities better than in the past year: Dong Nai Province, with 31 quintals per hectare, an increase of 2.6 quintals; Kien Giang, 30 quintals per hectare, an increase of 7 quintals; Thuan Hai, 29 quintals per hectare, an increase of 1 quintal; and Dong Thap, 23 quintals per hectare, an increase of 3 quintals.

Regarding the winter-spring rice, by the end of last week, cultivation had been completed in nearly 986,000 hectares -- with the southern provinces basically finishing cultivation. The planted rice is developing well. Meanwhile, some 20,000 hectares in the north remain to be plowed. Despite some cold spells, all in all, weather conditions were relatively favorable. Therefore, many localities have basically completed spring rice cultivation, and have begun on the spring-fifth month rice. The planted rice area shows an increase of nearly 18,000 hectares over the corresponding period last year. Water shortages have been noted in a number of ricefields. Noteworthy is the fact that more than 4,000 hectares of rice seedlings in the north and over 56,000 hectares of rice in the south have been affected by rice pests. However, due to insecticide shortages, insect control has not been started in time. Reports from the south say that only 30 percent of the insect-ravaged winter-spring rice has been sprayed with insecticides.

Also, according to the same notice by the Statistics General Department, by the end of last week, a total of 288,000 hectares of subsidiary crops had been planted countrywide, an increase of 49,000 hectares of the corresponding period last year. The area of legumes and vegetables also showed an increase of 17,000 hectares, with most of the increase in the northern provinces. Meanwhile, the industrial crops area was up 5,000 hectares, mostly in the south, thanks to the promotion of the cultivation of peanuts and tobacco; the northern industrial crop area remained nearly unchanged from the previous year.

According to a notice by the General Department of Meteorology, in the next few days, a cold front will hit the Bac Bo Delta, which is likely to prolong the cold spell as far as the traditional Tet festival. The skies will be overcast, with scattered drizzle. Especially, between 3-6 February, temperatures may dip below 13 degrees centigrade on some days. The agriculture ministry reminds all localities to check their rice seedling areas against their planned cultivation areas, so that supplementary sowing plans can be worked out in time if necessary. When temperatures fall below 15 degrees centigrade, seed sowing and rice cultivation must stop. Allotted power supplies must be efficiently used for soil preparation. When the cold spell is over, guidance must be given so that correct techniques are used in rice cultivation. During the traditional Tet festival, all localities must take great care in transporting and slaughtering domestic animals, and prevent the spread of epizootics.

In the south, along with preventing epizootics during the festival, concentrated efforts must be switched to tending the winter-spring rice.

ICK CHAIRMAN MEETS MOKHTAR ON ASEAN PROPOSAL

BK030935 Jakarta ANTARA in English 0855 GMT 3 Feb 86

[Text] Jakarta, Feb 3 (ANTARA) -- President of the International Conference on Kampuchea Leopold Gratz regards the 12-point ASEAN proposal as a strong basis for the settlement of the Kampuchean issue. Speaking to newsmen after having a meeting with Foreign Minister Prof Mokhtar Kusumaatmaja here on Monday, Gratz, who is also Austrian foreign minister, said the proposal, firstly launched by the Indonesian foreign minister, has an important role to play for the settlement of the six-year-old issue. "The 12-point proposal is covering all important matters in an effort for a peaceful solution to the Kampuchean issue," he said.

According to him, the proposal also covers strategic points aimed at creating a balance of the two conflicting strategies (of the Soviet Union and the People's Republic of China) in South East Asia through normalization of relations between Vietnam and the United States. The United States, he went on, agreed in principle with the proposed normalization of relations on condition that Hanoi should settle the issue on American service men Missing in Action (MIA) during the Vietnam war and the withdrawal of Vietnamese forces from Kampuchea. He also said that the proposal also contains a strategic aim intended to create a free and neutral Kampuchea.

Leopold Gratz feels optimistic that the Kampuchean issue can be settled although the settlement would be achieved in stages. The Austrian foreign minister also agreed that the solution to the Kampuchean issue could also [be] achieved through a national reconciliation among the conflicting parties in that country. Leopold Gratz arrived here on Sunday for a three-day official visit to Indonesia, during which he had also meeting with President Suharto [sentence as received]. From Indonesia he will proceed to Hanoi.

MERDEKA VIEWS MOTIVES FOR U.S. SALE OF F-16'S

BK020816 Jakarta MERDEKA in Indonesian 29 Jan 86 p 5

[Editorial: "F-16 Fighters for Indonesia"]

[Text] The United States has announced that Indonesia will receive F-16 fighters -- powerful and sophisticated U.S. planes. The announcement is interesting because the United States had earlier rejected Indonesia's request for these aircraft. In South-east Asia, only Thailand and Singapore have received aircraft of this type. In South Asia, only Pakistan has been provided with these aircraft. Obviously, the United States has provided these superior aircraft only to its most trusted allies.

Indonesia requested these aircraft several years ago. However, the United States gave no reply. The U.S. reluctance to approve the request might have been influenced by deep political and strategic considerations. Disappointed with Washington's attitude, Indonesia planned to buy the French Mirage 2000, which is also a superior aircraft. However, the plan has not yet been implemented. Indonesia wants F-16 fighters to meet its increasing strategic defense needs. Various steps were taken, including via third parties, to approach Washington. All these efforts failed, however, because the politico-military circles in Washington adopt a very strict policy on the sale of offensive strategic weapons to foreign countries. Unfavored nations will not be served.

U.S. military aid to Indonesia is small, even insignificant in proportion to our interests.

Indonesia has in fact no special military aid agreement with the United States. The 1951 "MSA [Mutual Security Act] blunder" has taught us a lesson; our free and active foreign policy keeps anyone in power in Indonesia from the excess of linking Indonesia with other countries through defense pacts. Our policy firmly opposes defense pacts and foreign bases. We maintain a purely free and active posture in the defense field. The purchase of F-16 fighters has vital military, economic, and geostrategic aspects. Indonesia believes that the possession of reliable combat armaments and effective military technology, the reorganization of its Armed Forces, and the present austerity budget are a rational policy in the face of present and future threats. This is a wise, mature, and logical decision. Our geographical position supports the policy of using superior, reliable, and sophisticated combat equipment.

The introduction of F-16 fighters into our Air Force requires analysis. From the standpoint of defense, we will be stronger in accord with our geopolitical and geostrategic position in Southeast Asia. The sale of the aircraft to Indonesia, if based on purely military considerations, may show that the United States not only understands our free and active stand but also recognizes the vital defense significance of Indonesia vis-a-vis interaction in Southeast Asia, the PRC military buildup in the Pacific, and the strategic and ideological perspective in the Asia-Pacific region. The volatile political situation in the Philippines, reflected by internal conflicts, may lead to a possible termination of the agreements on U.S. military bases in that country. In the U.S. view, a future military vacuum in Southeast Asia will result in an unequal balance of power in the region. Thus, we can anticipate that the supply of F-16 fighters to Indonesia reflects the U.S. desire to see a militarily strong, nonaligned, and noncommunist Indonesia play a more active role in Southeast Asia.

Nonetheless, no one can know what is hidden behind the White House' and Pentagon's policy. Is it based on logical considerations or a desire to have Indonesia undertake certain obligations? We need to pose this question to avoid any possible implications that can in turn affect our political and defense policies.

People can see that the United States gives priority to finding new types of relations to revitalize its steps to achieve an equal balance of power in East Asia and the Pacific as part of its objectives in this part of the world. In this regard, we note that the United States has been stepping up cooperation with the PRC in recent years, even though relations with Japan are the cornerstone of its policy in Asia. The United States probably prefers to see the PRC and Japan play an equal role in East Asia within the strategic context of containing Soviet influence in the Asia-Pacific region. The United States may even urge one of its close friends to play a dominant role in East Asia. Considering its historical involvement in this vast region, the PRC could serve as an alternative for the United States in containing the Soviet Union in Asia. Thus, the United States is trying to build up Beijing's prestige in Asia. The frozen diplomatic relations between Indonesia and the PRC are a negative factor in such a strategy.

Is the decision to allow Indonesia to buy F-16 fighters linked with the desire for an immediate restoration of diplomatic relations between Jakarta and Beijing? We cannot answer this question by ourselves as it involves Indonesia's political interests. Nonetheless, the appointment of Paul Wolfowitz, U.S. assistant secretary of state for East Asian and Pacific affairs -- another John Holdridge -- indicates the trend. The coincidence between Wolfowitz' appointment as announced by the White House and the news of the approval of the sale of F-16 fighters to Indonesia has prompted shrewd observers to wonder whether the sale of F-16 fighters is designed to facilitate Wolfowitz' future duties in Jakarta, which will include completing the job that Holdridge could not manage, namely restoring Jakarta-Beijing diplomatic relations, which have been frozen over the past 20 years. Future developments will tell.

MARCOS SPEAKS TO 'FRIENDS OF MARCOS' 3 FEBRUARY

HK030825 Quezon City Maharlika Broadcasting System in English 0325 GMT 3 Feb

[Address by President Ferdinand Marcos in Malacanang Palace to "Friends of Marcos," and Nueva Ecija Women's Group -- live, in English; broadcast intercepted in progress]

[Text] That is why we came here, and, ah, this [words indistinct] makes, ah, me, feel, ah, victory and, ah, react emotionally to your, ah, sacrifices for the Marcos-Tolentino team. We feel that the cause for which we fight is a good cause. We feel that, um, we are fighting communism, dismemberment of our government and, ah, the, ah, changes that may arise out of, ah, naive belief that, ah, anyone, just anyone can run the government of the Republic, which to me may be the most dangerous, ah, matter [words indistinct] in the country [words indistinct] because, ah, when anybody thinks that he can, ah, flip-flop and move from one position to the other and laugh it off, then he has, ah, lost one of the principal, um, um guidelines, one of the principal, um, basic principles of a leader.

A leader must make decisions and he must not depend upon others. Uh, for instance when we were negotiating the Tripoli agreement for a cease-fire in Mindanao between the MNLF and our government -- the, ah, supplier of the arms and the funds was Colonel al-Qadhdhafi of Libya, so much so that when I sent the first lady to Libya in 1976-77 to negotiate a cease-fire, she managed to bring Colonel al-Qadhdhafi to the telephone and I was able to talk to him. He, ah, insisted that we recognize a new Muslim state and this would include the giving away of Palawan, Mindanao, Basilan, Sulu and Tawitawi, the same islands that now are the subject apparently of controversy because [words indistinct] said by Nur Misuari himself and by his aides who have testified here that, um, ah, the, ah lady who is the candidate on the other side has agreed to recognize a separate Muslim state which, ah, all these islands should be given away, including their population, and this without consulting anyone, without consulting the [words indistinct] of the Republic, foreign affairs, the Batasang Pambansa. Ah, however much you may call this democratic, certainly it is not. One of the things on which you can do a flip-flop, meaning you're naive, one day [words indistinct], the other day -- as was demonstrated by this conversation of mine with Colonel al-Qadhdhafi.

Colonel al-Qadhdhafi came to the telephone and said I [words indistinct] you to make a decision [words indistinct], and I would like you to [words indistinct], you must allow this territory to be part of the new Bangsa Moro state, and ah, we must agree that all of this will be taken out of the territory of the Philippines. I, ah, told him that, um, while I am president of the Republic, I have no authority to dismember the Philippines or to, um, give away, under whatever circumstances, the territory of, ah, the Philippines. On the contrary we have the opposition who, ah, naively think that they can use any [words indistinct] no matter what the price, to win the election. I am very happy that, um, the reaction of our people to this attempted dismemberment of the, ah, Republic of the Philippines, with the elimination of this territory and giving it away to a, ah, separate, ah, um, Bangsa Moro state -- the reaction of our people has been so adverse that, um, ah, in Mindanao, ah, whatever votes they have have been dwindling, even the chairman of the Unido [United Nationalist Democratic Organization] in Sulu, um, which, ah, transferred to the, um, administration party because he could not, ah, this, um, action taken by the opposition party.

But, ah, that is not all the danger. The danger is the lack of sincerity. They talk of honesty and sincerity and they say they will protect and take care of our small people, and yet, um, in their own hacienda which [words indistinct] all the biggest haciendas than Hacienda Luisita, the people are suffering as well.

[Words indistinct] they are giving starvation wages and, um, sometime in the last decade the, um, government, ah, was brought to court, ah, to prevent the Hacienda Luisita from being, ah, ah, divided among the tenants or whatever part was promised, which they turned into a golf course instead of giving it away to the tenants, and, um, she stated that she, or, ah, certain -- this, ah, the people, the tenants in that hacienda have come to Manila and they have told us how oppressive, um, this, ah, opponent of mine has been.

So where is the honesty and sincerity? They have even gone to the limit of questioning my war record. Many of you who are here probably know what I have done as a soldier. But it's not the question of what I did or what I did not do. It is the question of the honesty of anybody to come and say: He is a fake hero, and this, ah, guerrilla organization of his is fake. And for her to say, after that, that she is honest, ah, makes me wonder and fear whether she is just spouting words and does not mean anything of them. [as heard] My record does not need to be defended. It stands clearly. Even the Kempetai testified, ah, to this effect that they were after me all the time because we were one of the most active, ah, guerrilla groups in the entire country; and at the same time, the, ah, um, Kempetai man who was, ah, assigned on this, um, Mr Kajihara has testified about all the activities of Maharlika, and also has shown a diary, or mem --, ah, book or memories of the war by the emperor, his Majesty, the emperor of Japan. And I was surprised, ah, pleasantly to see that the Maharlika and Marcos were given 11 pages of, ah, the diary of the emperor of Japan -- something I did not even know and, ah, so there are always, ah, silver linings to clouds, I guess, ah, I do not, ah, bother anymore to talk about it except that I thought I -- I should talk to you about it because, ah, you come, especially the ladies, come from, ah, areas, ah, ah, at one time I operated -- Karanglan and the other towns [words indistinct] we are guerrilla leaders, and, ah, later on I -- I having been merged with the USAFFE [United States Armed Forces in the Far East] elements in [words indistinct].

But anyway the reason I, ah, uh, um, stand up to say a few words is, ah, that, um, sometimes they forget that I am, also president of the Republic of the Philippines and that if you try to degrade my office and degrade the presidency and [words indistinct] you degrade the entire Filipino people. And they have been [words indistinct], our national life, because they go to the unite -- United States and spread all kinds of rumors to the effect, so that one congressman says we are the biggest swindlers, and when he was confronted by another American congressman, they found out that he was nothing to base his statements on except rumors and hearsay. Now this -- this is something which denotes the nature and the character of the people in the opposition, ah, that they are willing to degrade the entire Filipino people just to beat Marcos, indicates the selfishness and, ah, the individual (?conscience) of these members of the opposition. And it even makes me fear, ah, that there is a danger there of, ah, this, ah, woman running a government on nothing but personal vengeance, vindictiveness, casual, flippant character assassination, ah, the disregard of the decencies in life, disregard of the victims of, ah, um, strife and victims of, ah, outrage. Ah, this to me, ah, makes them more dangerous than perhaps even communism or the Moro National Liberation front, ah, because if we were to allow them to act in this arrogant type nai-naivety, why, ah, then, ah, we have the danger of, ah, a president, um, bringing our country to the brink of disaster -- if not to disaster, ah, itself, and so I, ah, have, um, attempted to, um, do everything that we can to make these honest, free, and clean elections.

Rest assured, first of all, that, um, as much as I admire my wife, I will not, ah, replace myself with my wife and the [applause interrupts]. The -- this seems to be their last gimmick. They said that on the last day, the first lady will take my place [laughter], ah, and -- and no! The question is: Why? Why should she take my place? Is there anything wrong with me that, ah, ah, I should allow my -- I should ask my wife? [applause]

All these fabrications and lies are figments of a fevered, ah, brain, I am afraid -- or, shall we say, brains, because she has 50 ghost presidents and, um, we don't know what those ghost presidents are thinking. But one thing is clear, from the manner she has conducted herself -- flip-flopping from one side to the other. First she will do away with this Amendment No 6, next she will use Amendment No 6 for this or that, ah, so it is, ah, quite possible that, ah, when she says I, ah, will keep Amendment No 6, and then she says I will abolish and dissolve the, um, the Batasang Pambansa, ah, then, ah, she probably has this in mind? Why doesn't she come out with it openly, frankly, honestly?

And at the same time it was my hope that we could keep this political rhetoric [coughs] to a decent level. You must forgive me for my cough, but, um, I was caught in the rain somewhere in, I think, um, Zamboanga, Davao, Bacolod, and Iloilo, everywhere there was foul weather, and I heard, I heard, or I read them say that I was a coward, and I did not want, that I was guilty of cowardice, and that I did not want to go to Mindanao. Er, how dare collaborators talk to fighters for freedom like this, and how dare they talk about the president like this, Is this a sign of what is coming, the degradation that they will place upon our people, no matter what the price they offer, they can follow their, um, ideals of vindictiveness and vengeance.

I can stand all of this. My record is [word indistinct] answer everybody, but, pardon me they are following a principle of Goebbels under Hitler, that if you repeat the lie a thousand times it will ultimately be believed. And they are doing that. Er, and this to me, if they can do this to the president of the Republic of the Philippines, what can they not do to our poor people, to the, er, er, lower classes [applause] who are trying to, [changes thought] look, I am the president of the Republic of the Philippines, it hears or carries with it certain, er, should we say, images, representations, and attributes, which no matter how you dislike the man occupying it, requires a little respect. But no, they have no respect for the presidency of the Philippines. Given the presidency, they will destroy it for their own selfish and, er individual purposes.

I decry it. I decry the dirt and the gutter in which we now have descended. We have descended from the sublime to the ridiculous. We are like small children. They started acting like small children, and now they are threatening to (?burst) out into being small children like that, and this to me is a reversal of all the efforts that we have undertaken in order to bring our people out from the dark ages of oppression. For [word indistinct] and 50 years we were an oppressed country and people, meaning that we could not run our own government. Now we are running our own government, and no more strangers, no more, er, foreign, er, colonizers to blame for anything that would happen here in this country. We are to blame, and it behooves our people to be united, and this is one of the reasons why I thought we should have a new mandate, to unite our people.

Remember all this [words indistinct] futurologists and the political scientists to the effect that one of the main defects of the Filipino race is factionalism. And anybody who is aspiring for [word indistinct] sees that they are the guy, they are the fellow who is going up and establish a name in history, they must work, they must work. This happened even during the days of the [word indistinct], this happened during the propaganda period [as heard], this happened during the revolution of 1896, and even in the adoption of the constitution, the Malolos constitution of 1989. You will remember the dichotomies that occurred, Bonifacio, Aguinaldo, er, [words indistinct], then Luna, who was shot in the back in the coconut plant, er, the, er, quarrels during the guerrilla days, there were some guerilla leaders who killed more Filipinos than Japanese. Then there was always this quarrel over jurisdiction, um, this is my earth, you cannot enter it; you enter it, you have a fight. And this factionalism also broke out at the constitutional convention, the Malolos constitutional convention.

Some people reverting to the, well, unsocialistic or rather selfish, um, um, policies of the day. One [word indistinct] you raise all the taxes on our people, and they forgot that the revolution was for the people, and there were no social principles that would be amenable to our people. This was one of the bitter criticisms of the constitution of that period.

And we see it even now, a quarrel between Quezon and Osmena, the party splitting, Abilino and Quirino, the things like this. Of course, in politics that's bound to come when your party becomes too big, they usually say it's split, um, but, er, what I'm talking about, this bitter, almost, um, insane, um conspiracy of black propaganda. I've never heard such indecent words used in a campaign against me and against my wife. No, does this help them, does it satisfy the egos and their conceits, and if so, how does this meet the issues of the campaign? What does it do to us? Um, are they egging us to fight back with the same gutter language? We will not. I will not. I will not go down to the level of this, um, degradation that they have put upon our people.

I ask you therefore to look to your conscience when you go to these polling places, when you talk to the people you can influence, um, um, probably I should ask a question that I asked the businessmen in the rotary, all big businessmen have corporations, they are corporations either owned by you or, er, which you control. Assuming that you were looking for a president, would you give your business corporation to be run by my opponent as president of that corporation? And I said, you know you would not. Then why do you even consider taking her as president of the Republic of the Philippines, which is the corporation, certainly bigger than any corporation that you can think of in the Philippines. What you need is somebody who is balanced, not one who will, um, move to an extreme, say anything, do anything, um, enter a pact with [word indistinct].

For what have they done, they have entered a pact with the Communist Party, er, I don't call her a communist, but she, er, she loves the good life too much. Neither you have seen, I believe that, she writes a communist manifesto, any books on communism, nor on the, er, ideology of liberation. But I -- the theology of liberation. But I merely ask her to be honest with herself, and er, also ask you to ask the question, are you really serious about putting our country in the hands of some who's never been experienced but who has gone down to the level of being, er, manipulated by other people?

But she has shown that she is not strong enough to withstand the pressures, even now, even now that she is a candidate. Let's look at it that way and, um, [word indistinct] change. When they prepared their economic program, [words indistinct] and I said so, and they admitted it, they admitted it, but they say there will be no [word indistinct], no taxes, et cetera, et cetera, and they would build a utopia. [Passage indistinct] they must come down to reality, they must determine exactly what is, er, can be done, under certain circumstances, what is attainable without destroying the entire country.

Um, I can also say, after all this is done over with, when all our hurts, our pains, our angers, our animosities may have died down, it is my hope that we will be able to unify the entire Filipino people, that we will (?reconcile), that we will turn the other cheek, and, asking the help of the lord, we can get everybody to forget about their selfish and immediate interests and look at the problems more realistically and pray for guidance that we will meet those problems with all the strength and unity of an individed people.

Now thi-this, ah, is what I have told this -- what I pray for. All the, ah, neutral, ah, um, surveys seems to indicate that yes, we are winning this, ah, election, but, um, it-it's not just a matter of winning the election. It's matter of winning it and solving our problems.

So what, ah, good would it be, um, if she won the election and didn't -- she failed to meet the problems: Insurgency, economic crisis and, ah, I believe that, um, the ah, program she has presented before our people and continuously tries to explain to our people is a program that should be continued. [as heard] She did not come up with any program, ah, that is [word indistinct] or even wise, and that can be, ah, understood by others. They talk about advisers. We don't even know who these advisers are. Are they going to the communists? Are they going to be these pseudo-intellectuals who, um, have had no experience in the world of reality and may not think in terms of, ah, whatever they read in books? It is a notorious fact that, um, even intellectuals, um, have been known to tragically fail in meeting problems of, ah, government that is, ah, embattled, ah, like, ah, us, and, ah, so, my friends, um, I ask that you look to your consciences and, when you go and vote, I ask that you vote for the welfare of our country, you vote for those people whom you think can solve our problems, without this, um, ah, shadow-boxing, this, ah, all this name-calling, this gutter language that has not helped, that has not helped the, um, quality of our politics.

I, um, hope that, um, we shall, um pass this period of, ah, disgrace because, to me, the attitude of the opposition -- they're asking for foreign intervention, they're asking for support outside. That is a disgrace. It, ah -- I never imagined that any Filipino could be so, um, naive, weak and so degraded that they would deliberately go and seek it out of a foreign power. But this they have done and, ah, whereas with the -- in the conversations with Colonel al-Qadhdhafi that I had, in 15 minutes he and I decided exactly what kind of a compromise would be made. I said: No way about giving any part of our territory, and this must be, ah, the-the only solution can be compromise. I would be happy to give an autonomous government, but only after a plebiscite, and even that they objected to and said: I don't believe in plebiscites. Well, I said, we--we run a democratic kind -- an open society, and we argued back and forth.

I convinced him that under our form of government, I am a constitutional ruler and I am limited by the provisions of the constitution, and the constitution says that I have no authority to give away any territory of the Philippines. And the constitution also says that any change in form of government with a national [word indistinct] must be approved by the people, and there must be a constitutional amendment. And, ah, so finally he, ah, agreed to this. But I presume that when this was taken up again with, ah, other, ah, Moro National Liberation Front secessionists, ah, they folded up. You don't negotiate about your country in such casual terms. We don't negotiate for the safety of the people in such a weak and, ah, ah, uncertain, um, casualness, but you, ah, must realize that foreign affairs is the (?first defense) of our country. And foreign affairs needs, ah, a man of acumen, a man who will stand up, ah, against anyone in the protection of the country. It's not a matter of your giving [words indistinct] and getting another. It is you protecting your country even at the risk of your life and, ah, I knew I was risking the life of the first lady.

But he told me that, ah, I should speak out and I should make the decision although I did, ah, say that if worst comes to worst, I would like you to get out of there as fast you can. But she -- she is a good soldier and, ah [applause] ah, this might again bring out these rumors that I am building her up, that she will be the next president. [he chuckles] No, that's far from the truth, ah, the truth of the matter is, I could not think of anybody to send to Libya and meet with Colonel al-Qadhdhafi, who had the -- well, shall we say, ah a sharpness of mind but the charm and the ability to put the conversation, ah, on an even keel without hurting or offending the other party, because I told her -- now, you must realize that you are going to the lion's den. This is the man who is financing the secessionist movement.

He has sent about 20,000 assault rifles with mortars and support, ah, equipment, including communications. He has given probably hundreds, ah, 1 or 2 million, or 5 million dollars to the support of this organization and this is why she, ah, went, and when the other males in her party were endangered -- because the PLO were threatening to blast and bomb their plane -- I told them: get out of there and leave the first lady alone. Ah, she will not be hurt but they are going to try and kill them, if anything goes wrong. So everybody -- Minister Ponce Enrile, Minis -- the, um, Minister of Justice Estelito Mendoza, ah, General, ah, Fidel Ramos, the deputy of staff, and all the others, I told: You go back to Rome before, ah, this matter, ah, gets worse. But, ah, she managed to get, um, Colonel al-Qadhdhafi on the telephone and that made the difference.

Now if we had somebody who did not know anything about the constitution as president, you would have had bloodshed right then and there and, ah, you would not have been able to decide in 15 minutes exactly what would be done about the cease-fire. But we got the cease-fire, the first lady signed it for the Philippines and, ah, Colonel al-Qadhdhafi's, ah, signature is there, so is the signature of Nur Misuari who is now still insisting on a complete seccession although he -- he is a formal signatory and this, um, makes me wonder if they know their political history. How did they get into such an -- [words indistinct], we are already signatories to a cease-fire and signatories to a, ah, an autonomous government. We conducted a plebiscite, incidentally, and the plebiscite at Palawan was kept out; Davao was, ah, kept out; regions 9 and 12 were (?set up). Now I've ordered these two regions be merged into one single autonomous region with the Muslims into, um, ah, [word indistinct]. And, ah, therefore, um, they end up with, ah, one story [word indistinct]. I am sick and I'm dying of a fatal disease with a name this lupus -- lupus something. They said this, in fact, in '83, so I must have died 6 times already. [applause]

I think God has been very generous to me, not only because I faced death many times, knowing that, ah, the good Lord, ah, was always beside me. But, ah, because he -- he has returned health, ah, to me in some miraculous way -- all those wounds in my body which affected some of the organs, ah, were cured but of course [words indistinct] and medicine, and they tell -- they tell me that I was operated on twice in '84 and '85. Well, if I was operated on that time, I must have been asleep so deeply that I never, ah, felt anything at all. (?This was) since I was operated on in 1960, 1961, all the wounds in my abdomen -- but that was '60, '61, the records are in the United States and beyond that there is no, ah, um, ailment of which I -- I am, ah, suffering, um, and, ah, we now are at the home stretch. This is the third -- we have only four [word indistinct]. Now! We have the 4th and 5th to campaign -- the, ah, on the 6th you can no longer campaign. On the 7th, ah, we have the election. Can you imagine that, um, we are here talking about election and it's only 3 days away. No. Two campaign days away. And then the 6th and the 7th. This is a critical election. Some say I, um, should not have called an election at all because it may have divided our people, and I told them: our people were divided long before that, and we had to unite them. Elections usually tend to unite people unless, ah, you have some, ah, should we say misguided, ah, people who try to utilize elections and politics to further their own private interests and to satisfy their, um, or should we say vindictive purposes.

But I am certain that with the help of God, with the help of the Filipino people in whom I -- I have trust, we will pass this dark period and, passing it, we shall unite; and uniting, we shall solve all the problems of this country. I thank you for coming here and it is my hope that we will all [interrupted by applause]. It is my hope that we will all participate in the victory that is forthcoming.

Thank you and good day.

MARCOS FORMS STUDY TEAMS ON COUNTRY'S PROBLEMS

BK030417 Manila PNA in English 0411 GMT 3 Feb 86

[Text] Manila, Feb. 3 (PNA) -- Philippine President Ferdinand Marcos has said that he has formed several high-level study teams "which are now looking into problems and opportunities the nation faces in the next six to 10 years and even beyond." The president said the teams have been asked to set down reforms, policies and programs he would carry out once re-elected.

"The object is to enable us to plan for longer-term problems of economic modernization, political development and social concern that need to be faced over the foreseeable future," he said. He added that ways are being devised to take advantage of new opportunities to advance the economy while ameliorating the lot of "emerging social forces" within the population.

The agenda for the new Marcos administration, the president said, will address new social forces "not content with the political status quo because the very process of modernization has lessened their chances of moving up the economic ladder." The president identified these forces as the landless agriculture workers, people attracted to the cities but who end up destitute and the expanding middle class families whose sons and daughters in the universities are easy targets of radical movements.

"If political systems cannot adapt to these newly emerging social forces, governments must come to rely increasingly on coercion. It is important that government does not foreclose the possibilities of peaceful change," the president said. This is the reason why, the president said, his economic programs under his new term will emphasize combatting poverty "that not only aims to bridge the gap between rich and poor but create those opportunities that will encourage the poor, as well as the rich to live in harmony."

The president said that opening up of more lands for agricultural production would mean more products for exports. This, he said, could further develop the nation's food processing capability and could find employment for those who previously flocked to urban areas but whose minimum skills are not suited to white collar or industrial jobs.

"With light industries sprouting in the countryside, the influx of people to urban centers will ease up, thus normalizing the growth of cities," he said.

The president noted that newly-industrializing countries like Taiwan, Korean, and Singapore will now step up production of more sophisticated products such as computers, engines, cars and others. "There will therefore be an opportunity for developing countries such as the Philippines to produce goods that the primary export markets need," he said.

To take advantage of this situation, he said, the opening of the agro-industrial industries will have to be stepped up. "This new era in our economic planning and implementation will ensure that our people will have more job opportunities and a better future for them and their children," the president said.

COMELEC RULES MARCOS-AQUINO DEBATE ILLEGAL

HK041101 Quezon City Maharlika Broadcasting System in English 1000 GMT 4 Feb 86

[Text] [Words indistinct] Chairman Victorino Savellano said that the projected debate, if held, violates provisions of the Omnibus Election Code and Batas Pambansa [National Law] No 833.

Bates Pambansa 833 calls for the prohibition of election campaigns or other political partisan activities after the campaign period. We have this report from Andy Macaranas.

[Begin Macaranas recording] Mr Savellano said that no matter how the debate is conducted, it will be a partisan political activity, because the two protagonists cannot avoid projecting themselves as candidates, as they would be discussing the very issues on the basis of which they seek election.

Mr Savellano said that according to public reports, both candidates would appear live on the U.S. TV program Wednesday at 11 p.m. This means it would be Thursday morning 6 February in Manila which means that the debate would be held after the campaign period when all partisan political activities are prohibited. Savellano said that provisions of the second part of Batas Pambansa 883 [as heard] sets the campaign period for Friday's balloting from 11 December to February 5 while the Omnibus Election Code provides that the campaign period shall not include the day before and the day of the election.

Savellano cited Article 8 of the code which provides that it is held unlawful for any persons, whether voter or candidate, or any political parties or association or persons, to engage in election campaign or partisan political activities except during the campaign period. Violation of this provision, Savellano said, is an election offense penalized by 1 to 6 years imprisonment, disqualification to hold public office and deprivation of the right to vote. [end recording]

Marcos Cancels Debate

HK040954 Hong Kong AFP in English 0950 GMT 4 Feb 86

[Text] Manila, Feb 4 (AFP) -- President Ferdinand Marcos today cancelled a planned U.S. television debate with Corazon Aquino Thursday and dared the opposition candidate to face him tonight or tomorrow morning on a local state-run station.

Mrs Aquino immediately rejected the offer to appear on government television, and said she agreed to an ABC offer to bring its "Nightline" debate forward to tomorrow, her spokesman Rene Saguisag said.

An ABC spokesman confirmed that they had offered to stage the debate tomorrow, but the president had not yet responded to this offer.

Mr. Marcos said the Commission on Elections (Comelec) had ruled that a live television debate scheduled for Thursday noon (late Wednesday in the United States) on the ABC Television Network was illegal since the campaign period ends tomorrow.

The president said there should be "no scenarios, no scripts, no reading of notes," and both candidates should appear without bodyguards and advisors at the government station MBS-4. He suggested a one-hour debate at 8-9 a.m. tomorrow (0000-0100 GMT) on an early-morning program, naming local hosts who could act as moderators, and added that he would alternatively be ready to face her at 10 or 11 p.m. tonight (1400 or 1500 GMT) after she holds a rally.

Comelec officials could not be immediately reached for comment on the president's announcement at the end of a speech before eight foreign and local chambers of commerce in the financial district of Makati.

Mrs. Aquino said that it would be a "national disgrace if such an important event cannot be held before a neutral party," Mr. Saguisag said. Mr. Saguisag said it was a "matter of record" that all along Mrs. Aquino had wanted a fair and honest debate with Mr. Marcos.

Marcos Proposes 'Dialogue'

BK040933 Manila PNA in English 0925 GMT 4 Feb 86

[Text] Manila, Feb. 4 (PNA) -- President Ferdinand Marcos Tuesday invited opposition challenger Corazon Aquino to a dialogue, not a debate, on Wednesday [5 February].

"My opponent has invited me to a debate on Feb. 6," the president said, "But this is no longer possible since the Commission on Elections would not allow it." The president said that on Feb. 6, all election campaigns or election-related debates are no longer allowed.

"But we can have a dialogue together," the president said. The president stressed that in the dialogue, Mrs. Aquino should not bring notes with her to read.

The president instructed Information Minister Gregorio S. Cendana to make available television facilities in case Mrs. Aquino would accept the dialogue invitation.

"I hope my opponent would not bring her any bodyguards, especially from the (communist) New Peoples Army. We should be alone together," he said.

Aquino was not immediately available for comment on Mr. Marcos' dialogue invitation.

RADIO CITES AQUINO REMARKS BEFORE BUSINESSMEN

HK040444 Quezon City Maharlika Broadcasting System in English 0400 GMT 4 Feb 86

[Text] The Unido's [United Nationalist Democratic Organization] Miting de Avanse [advance meeting] is scheduled this afternoon at the Luneta. The rally will be preceded by a motorcade organized by supporters of the Aquino-Laurel ticket.

Earlier, in a speech before the Philippine Chamber of Commerce and Industry, Mrs Corazon Aquino said if she wins, the first 100 days of her administration will see the reformation of the country.

[Begin Aquino recording] Our first 100 days must manifest to all, to the Filipino people, to our Asian neighbors, to the rest of the world, that the ruinous course Mr Marcos set has been reversed; that the process of purgation and purification has been firmly set in motion; that a new Filipino nation, honorable and honored, is now re-emerging. [end recording]

BERNAMA REPORTS AQUINO STAND ON ASEAN, SABAH

BK031111 Kuala Lumpur BERNAMA in English 1040 GMT 3 Feb 86

[by Kuah Guan Oo]

[Text] Manila, Feb 3 (OANA-BERNAMA) -- Opposition president candidate Corazon Aquino Monday pledged that if elected, her government would revitalise the Philippines' relations with its ASEAN partners.

She claimed present relations have "become almost moribund as a result of the duplicitious diplomacy of Mr Marcos towards Malaysia on the Sabah controversy." Mrs Aquino said this when outlining her foreign policy to an overflowing gathering of businessmen at a five-star hotel here.

Some observers here say that Mrs Aquino indicated in her speech that her government would drop the Philippine claim on the East Malaysian State of Sabah since it would make a "special effort" to revitalise relations with member countries of the Association of Southeast Asian Nations comprising Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

An increasingly confident Mrs Aquino stressed that foreign affairs must take "secondary priority" because of the "more urgent and prerequisite task" at home after the polls. She outlined her seven priority areas of the first 100 days of her government to rounds of applause from her audience drawn from local and foreign chambers of commerce.

Many businessmen and supporters had to stand outside the hall to which TV monitors while those in the hall had to be contented with food served in lunchboxes. The same joint chambers of commerce will hear President Marcos Tuesday.

Mrs Aquino said she felt pain and "shame" when she thought of how Prime Minister Cesar Virata and Central Bank Governor Jose Fernandez had to swallow pride in international negotiations and "offer profuse thanks (to foreign bankers) even for loans grudgingly given and at humiliating terms to a government that cannot be trusted."

Or when "I think of Prime Minister Lee Kuan Yew, proud leader of a city-state one-fourth the size of Metro-manila, publicly doubting the capacity of our nation of fifty million people to show the fortitude needed to rise to the challenge of shared responsibilities in the ASEAN community."

Accusing Marcos of bringing the Filipino nation "to its knees" and "this posture of humiliation and ridicule before the world," the 54-year presidential aspirant said she would have to attend to the more urgent national, economic and social problems first. "Before we can mend our international fences where they have been damaged, and build lasting bridges where there are none, before we can be accepted as friends and not suspected as swindlers, we must rebuild our confidence in ourselves as a nation. We cannot renegotiate our foreign relations with dignity and honour, we cannot build solid bridges of international friendship, unless we can restore our self-respect as a nation, knowing that we are trusted because we are honest, respected because we are credible, eagerly sought because we are competent, and because we are loyal to our pledged word."

Mrs Aquino said external relations are not founded on the prosaic formulae of diplomatic treaties but on the dignity and respect a nation has earned in the family of nations.

Noting that Filipino leaders like Rizal, Quezon and Osmena had led the nation to honour, she said twenty years ago the Philippines enjoyed the respect of her neighbours and of the larger world community. "I am embarrassed to admit that today we have largely lost that honour and respect," she said, quoting the late Gen Carlos Romulo, former foreign minister as saying that "Mr Marcos is destroying everything we have built. Someone has to stop him."

Apart from revitalising relations with ASEAN, Mrs Aquino said her government would promote "more balanced and equitable relations" with the United States, Japan, the countries of Western Europe and the Pacific Basin, and all countries with which the Philippines shares a common loyalty to democracy.

She also assured the Filipino Chinese that "naturalised Filipinos are not second class citizens." "Hence I deny the rumour being spread that I will cancel naturalisation certificates obtained under the Marcos regime," she added. There are no official statistics on the number of Filipino Chinese in the country but estimates put them at a few million, including those of mixed parentage.

Reiterating a stand on the two giant U.S. military bases, she said "We do not propose to renounce the existing military bases agreement or the treaty of mutual defence with the United States." "At the same time, however, I must state with candor that no sovereign nation should consent that a portion of its territory be a perpetual possession of a foreign power."

Before the bases agreement expires in 1991, Mrs Aquino said her government would consult with the U.S. and its neighbouring states "but above all, with the Filipino people so that an arrangement that will serve the best interest of the entire free world, but especially of the Filipino people, can be reached."

MBS REPORTS 'COORDINATED SYSTEM' IN POLL COUNT

HK030844 Quezon City Maharlika Broadcasting System in English 0400 GMT 3 Feb 86

[Text] It's all systems go for the Comelec [Commission on Elections] and the Namfrel [National Citizens Movement for Free Elections] to canvass the results of Friday's special presidential polls. The poll body and Namfrel have agreed to conduct a coordinated system to advance the tabulation of the results of the polls. Two operation quick count centers will be managed separately by the two parties. Operation quick count center at La Salle, Greenhills, will be supervised by Namfrel in the presence of watchers from the poll body. Namfrel watchers will be allowed to witness the proceedings at the PICC [Philippine International Convention Center] under the supervision of the poll commission. The two groups have set up their own computers in the two quick count centers.

Comelec Issues Rules

HK040530 Quezon City Maharlika Broadcasting System in English 0400 GMT 4 Feb 86

[Text] The Comelec has laid down more rules to ensure the accuracy of the results of the operation quick count project. Comelec said that Namfrel, which will tabulate the returns simultaneously with Comelec, should not engage in the projection of results. It also said voting patterns to be tabulated by Namfrel should be based on [word indistinct] copies of returns as received at Namfrel centers. The transmission of data through telephones or 2-way radio communications is disallowed. Comelec chairman Victorino Savellano stressed these rules issued to Namfrel:

[Begin Savellano recording] We are not after trends. We are after actual -- we are just reporting actual returns. They promised that they will not engage in trends nor in extrapolations. They also promised that they will not use phones and radio systems and that they will only report the final results per precinct, based on hard copies. [end recording]

Voters To Number 26 Million

OW031249 Tokyo KYODO in English 1242 GMT 3 Jan 86

[Text] Manila, Feb. 3 KYODO -- The Philippines' eligible voters will number 26,181,829 on the presidential election day of February 7, the government-appointed Commission on Elections (Comelec) said Monday.

The number of polling and vote counting stations throughout the country will be 1,938, Comelec said.

Priests, Nuns To Watch Polls

HK030324 Hong Kong AFP in English 0246 GMT 3 Feb 86

[By Kate Webb]

[Text] Manila, Feb 3 (AFP) -- Some 800 priests and nuns in white and grey gathered in the quiet hall of a Catholic college in suburban Manila over the weekend to be told they were marines about to enter a battlefield. No-one laughed.

The elderly and bespectacled, the young and the middle-aged, some showing the plumpness of a sedentary life, solemnly signed up at makeshift tables to man voting centers. Throughout the greater Manila area for Friday's presidential elections pitting 53-year-old widow Corazon Aquino against President Ferdinand Marcos, 68, in power for the last 20 years.

"They will be in habit, to intimidate the intimidators," explained Jesuit organizer Mani Flores. "They have given a temporary vow of obedience to Namfrel in their private capacity as Filipinos."

Namfrel -- the National Citizens' Movement for Free Elections -- on Friday will mobilize half a million volunteers nationwide to act as poll watchers. The same exercise in 1984 parliamentary elections was widely regarded by diplomats and politicians as effective, especially where the clergy were involved. "Namfrel felt the religious was the most effective, and this time we will be better organized. We are to be sent to the critical areas: the slums, the difficult places where people are most easily intimidated and pressured," Mr. Flores said. In the toughest areas we have selected our coolest nuns and priests."

In Manila alone there will be 600 clerics stationed in the most historically notorious voting precincts -- at polling stations during voting and counting and then personally escorting the boxes to municipal halls late at night. "Many of them are used to semi-contemplative lives with regular hours of prayer, it is outside the normal for them. Mr. Flores said the subdued crowd, mostly shod in plain leather sandals, filed past him into the prayer hall to hear Namfrel chairman Jose Concepcion warn of the dangers the "Namfrel marines" might face on election day.

"You will be going into the battlefield," Mr. Concepcion said. "You will be providing moral support. The great danger is to the runners (escorting the counted votes to the municipal halls)."

Mr. Concepcion cited the killing of two runners, both of them farmers, in 1984, the beating up of priests in far-flung provinces and also the successes where teachers counting votes had been shamed by Namfrel cameras (some without film) into scrapping the false ballots they had been about to substitute. Life insurance for civilian volunteers, he said, had been set at 50,000 pesos (2,500 dollars). But safety, he said, was in numbers -- the more volunteers the safer, the more foreign press the safer, the more foreign observers the safer.

Mr. Concepcion is himself fighting a suit filed by President Marcos's ruling New Society Movement (KBL) charging that he is in fact backing Mrs. Aquino. "Namfrel is not a tool of the opposition, Namfrel is not a tool of the CIA (the U.S. Central Intelligence Agency), Namfrel is not a tool of the KBL, Namfrel is a tool of the Filipino people," Mr. Concepcion, a civilian, thundered to his congregation of clerics.

"If there is really vigilance, the ballots will not be affected -- a few of us may have to pay the ultimate price, but remember the shout of 10 is better than the silence of 10,000. "What is important is that this election be seen as clean and honest. If it is characterized as a matter of fraud, no matter who wins, we cannot foresee the consequences."

The KBL has included in its partisanship suit Mr. Concepcion's recruitment of priests and nuns as poll watchers. (They did not object in 1984). Another suit has been filed by a relatively unknown citizen against the country's top churchman, Manila Archbishop Jaime Cardinal Sin, enjoining him not to issue any more pastoral letters between now and Friday.

Today President Marcos said on nationwide television that he considered most clergy-men who were outspoken on election abuses left-leaning.

"In Vatican II," said Mr. Flores, discussing the line between church and state, "God's kingdom on earth can only come about through truth and justice. In th case it is quite clear, the matter of church and state, for us in our consciences in a private capacity as Filipinos... We are expecting a kind of minor mircale here." The miracle, Mr. Concepcion told them, had not happened yet. He said a truck carrying Namfrel papers to the provinces had disappeared late last night. "We do not know where the driver is, or the truck," he said.

MBS COMMENTARY PREDICTS KBL LANDSLIDE VICTORY

HK310908 Quezon City Maharlika Broadcasting System in English 0550 GMT 31 Jan 86

[Station commentary]

[Text] It is true, several days before election day, that President Marcos is already assured of a new 6-year term. All indications point to a landslide victory of the president, contrary to forecasts by some sectors that the president will win only by a slight margin because of the growing popularity of opposition bet Mrs Cory Aquino. Even Metro Manila, the most manageable fallback of the opposition, may go administration for the first time.

(?Dewey Espina), a columnist who knows the pulse of the city, he being a former assemblyman representing the city of Manila, predicted that the Marcos-Tolentino team will win in the metropolis. If elections were held a few weeks ago, (?Espina) said, the KBL could have been beaten overwhelmingly in Metro Manila, but during the last 3 weeks, the KBL was able to catch up.

(?Espina) wrote that unlike in 1984 where factionalism was the order of the day, today barangay officials are very active in supporting the president's reelection bid. Aside from the barangay officials, (?Espina) said there are several special groups working for the president.

Elsewhere in the country, the president is expected to win by a wide margin in most areas, except in some parts of the Bicol Region and the southern Tagalog. But the president's expected landslide win in the solid north would easily wipe out any vote advantage of the Unido [United Nationalist Democratic Organization] in these regions.

Opposite factionalism in Cebu City or Cebu, another opposition bastion, would prevent the opposition to make use of the built-in advantage. The province of Cebu, a known bailiwick of former Congressman Ramon Durano, would very well affect whatever majority the Unido gets in Cebu City. Now that the president is campaigning in Mindanao, or has campaigned in Mindanao, Unido's claim that KBL will get a beating in the southern Philippines is all but an impossible dream. The KBL is expected to clobber the opposition by 1.1 million votes only in Mindanao.

With the reelection in the bag, so to speak, the president no longer concerns himself with the February elections but of what he will do in the next 6 years.

KBL COUNCILLOR INTERVIEWED ON ELECTIONS

HK030843 Quezon City Maharlika Broadcasting System in Tagalog 0640 GMT 3 Feb 86

[Interview with KBL Councillor Jun Inito -- recorded in progress]

[Text] [Inito] Just look at the record -- everything the opposition has asked for has been granted to them: the ballot boxes to be open and using windows, the Namfrel as inspectors being present, the foreign observers, the foreign newsmen. Almost everything the opposition has demanded has been granted. But it is obvious what the opposition really wants is to run the Commission on Elections [Comelec]. But how can this be when they still are not in power? The Comelec is an independent body, after all. So the opposition is really destroying everything and I tell myself that only here in the Philippines do we let the opposition get away with so much.

Go to the United States and you do not hear all those nasty things against their government. Though Americans have the freest press, their freedom there is limited. They do not use offensive language though they persist in revealing the truth. That is what we should be doing ourselves instead of spreading all this slander. What the opposition is doing is damaging respect for the Comelec by saying the Comelec does not know how to go about counting ballots, etc. Here all the opposition's demands are being granted by the Comelec, and the Comelec has to practically beg for them to be united. That is what I call the tyranny of the minority. But what we need is a constructive opposition because that is what will gain respect for our nation.

So what I can say about all this is that with all these conditions having been implemented, there is no chance that there will be mass fraud. But mind you, I have seen many people who used to be pro-Cory change their minds because they want to be on the safe side.

[Unidentified speaker] What about the issue of meddling by the foreign media?

[Inito] President Marcos is much too good, and yet they dare call him a dictator. Just look at Singapore, Korea, and Taiwan -- foreign newsmen there are not given as much freedom. In Singapore, when newsmen are critical, they get expelled. So with Korea. It is only in the Philippines where our president has to take all this slander dished out by the Western media. But the president knows the truth will eventually come out.

But take a look at what the opposition does -- any attack against Marcos first comes out in the U.S., then it is picked up by MAJAYA and the rest of the alternative press. Why does the foreign press do it? Because our libel laws do not extend to the U.S. So the opposition people here feel safe using this material to damage our president. It is a nice technique they employ, going by what the Americans say. But it is ironic that when the oppositionists rally, they rail against the Americans and call them fascists. But who are the real fascists who are being supported by the Americans if not the oppositionists themselves? They destroy our leaders' reputations, our government, and this is why the image of the Filipinos is very low in the eyes of the world.

Do you know, if the world could join this election, Cory would win. So the ones who should vote for her should be the Americans and other foreigners and not Filipinos. Just look at how Cory's conferences are handled -- local mediamen are not allowed, only American ones. Look at how colonial-minded those people are.

Cory, because she grew up in the U.S., she follows the American mentality. So you cannot say she is a true Filipino because she did not grow up here.

[Speaker] Counselor, with the elections on the home stretch, with 4 days to go, I think you should make an appeal not only in Quezon City but in the entire Philippines.

[Inito] Well, I am appealing to our people, my brother Filipinos. Our country is a very beautiful country; it has the best form of government, a democratic form of government; but above all, we enjoy the freedom that we have and are enjoying today, the freedom to seek the pursuit of every happiness we can have. This is why I appeal to our people that the future of our mother country rests in your hands. If we want a change for the sake of change, this might bring us to the brink of turmoil and violence.

If we think of the people of Cuba, who opted for a change but did not ask what kind of a change it would be when they chose Fidel Castro to run their government -- this brought communism into Cuba. So the Cubans were surprised when Castro converted their democratic republic into a communist one. The same thing happened in Nicaragua, in Vietnam and Kampuchea, and in many other countries. Let us not let this happen to our country. History has taught us a lesson and let us learn from history. I ask you to vote widely, but above all, vote with your conscience. As for you, I appeal to you to support the candidacy of the president and MP Tolentino. I believe you are on the safe side. Thank you very much.

MILITARY PLANS TO COUNTER ELECTION VIOLENCE

Death Toll Reaches 47

HK030829 Hong Kong AFP in English 0752 GMT 4 Feb 86

[Text] Manila, Feb 4 (AFP) -- The death toll in violence related to Friday's presidential election has reached 47, Army Armed Forces chief of staff Fidel Ramos said today. Some 62 instances of election-related violence and 47 deaths had been recorded since December 6, General Ramos said, far fewer than the unofficially estimated 2,000 deaths recorded in the 1984 general election.

Ten of the dead were opposition supporters, 20 supporters of President Ferdinand Marcos's ruling New Society Movement (KBL), and the political leanings of the other 17 have not been determined, he said.

Gen. Ramos also said that a communist document captured December 27 revealed that the party had no plans to interfere with the election. But in some areas the banned Communist Party's military wing, the New People's Army (NPA), appeared to favor the opposition, Gen. Ramos said. Speaking at a press conference 72 hours before the polls were due to open, he said the document outlined a four-phase program that emphasized a boycott of the polls by the 15,000 to 16,000-strong NPA. It also stressed a decision not to snatch ballot boxes, but to intensify arms snatching and ambushes.

However, in some areas there was evidence that the NPA were giving "indirect support in implied ways" to opposition candidate Corazon Aquino, he said, adding that he assumed this was because there was a "confluence of objectives" between the two.

Opposition spokesman Rene Saguisag yesterday branded allegations of communist support for Mrs Aquino as "black propaganda," while informed military sources say that NPA indirect support seems to be going both ways depending on the region.

Gen. Ramos denied that there was any contradiction between an order that the 250,000-strong military stay in their barracks during the polls, and a new order outlined by the government Commission on Elections yesterday that the Army, Navy and Airforce be involved in safeguarding polling precincts.

He said that there would be 118,793 armed forces and police deployed countrywide on polling day, and that they were watching the situation on the Metro Manila area "very carefully" following reports that groups of communist terrorists might have infiltrated the city. "There is no contradiction, the police have been designated for law enforcement along with the election commission, the National Bureau of Information and members of special action teams. The Armed Forces will be in a supporting role, logistics and security," Gen. Ramos said.

Despite the identification of more than 2,500 potential "hot spots" in 17 cities and 498 municipalities, the general said he did not foresee any security problems for the more than 1,000 journalists and hundreds of foreign observers, most of them American, expected to watch the polls.

Gen. Ramos said that overall responsibility for the behaviour of troops in the field would be held by the commanders of the units concerned, and the Armed Forces chief of staff, General Fabian Ver. Gen. Ramos did not rule out possible incidents caused by "private armies and armed goons" supporting individual regional politicians, saying that despite an order that private armies be disbanded, "implementation is another matter."

He repeated a statement made by President Marcos Saturday that the Armed Forces would be loyal to whichever candidate won, and that there would be an orderly transition of power if the opposition won.

Asked if he was aware of movements in certain sections of the Armed Forces to support Mr Marcos no matter what the outcome, he replied, "not that I know of, at least not in the Constabulary and Integrated Police Force."

Mayors Report NPA Death Threat

HK311445 Manila TIMES JOURNAL in English 31 Jan 86 pp 1, 6

[By Teddy Africa and Elena Rovira]

[Text] The mayor of Goa, Camarines Sur, a known fighter against the New People's Army, was killed yesterday morning in an ambush barely a kilometer away from the town proper. Meanwhile, Mayors Nemesio Yabut of Makati and Joseph Estrade of San Juan reported having received death threats from members of the NPA's Sparrow Unit for their active role in the KBL campaign.

TIMES JOURNAL correspondent Francisco Felicidadario reported from Nega City that Mayor Lorenzo Padua was waylaid at Barangay Tambuco. Reports said that Padua was aboard a jeep for an undisclosed destination when his vehicle was stopped by a boy. As Padua got off his jeep to find out what the boy wanted, two men with handguns approached the mayor and shot him point blank. The triggermen fled. Padua was taken to the Camarines Sur Regional Hospital where he died at 12:30 p.m. A report from Camp Crame said Padua was ambushed by three men while he was conducting a house to house campaign for the KBL.

Brig. Gen. Renato de Villa, Regional Unified Command 5 chief, reported to Lt. Gen. Fidel V. Ramos PC-INP [Philippine Constabulary-Integrated National Police] chief, that the ambush took place at Barangay Mataklo, a half kilometer away from the town proper.

De Villa said that investigators are looking into the possibility that Padua was ambushed for political reasons although they said they were certain that the assassins were members of the NPA Sparrow Unit.

Early last year, Padua led a police patrol to an area reportedly infested by members of the New People's Army where he was ambushed by a 15-man terrorist group at Baranggay Laqui-Laqui. Padua survived the ambush although his motorcycle was peppered with Armalite bullets. Military authorities said Padua had stayed on the NPA death list after he survived the ambush last year.

Yabut said he received the death threats by telephone and a mailed letter. Estrada, on the other hand, said he received the threats by phone.

Yabut said the callers who identified themselves as members of the Sparrow Unit vowed to get him at all cost. He received the calls personally last Tuesday and Wednesday. Yabut said he received the letter signed by a certain Kumander Tony which read: "Mayor, mag-iingat ka. Nabibiland ng ang araw mo." (Mayor, beware, your days are numbered.) The letter also revealed plans to terrorize Makati voters. Estrada revealed the threats against him in a phone call to Yabut. Both mayors are actively campaigning for the KBL.

In another election-related development, MP Arturo Pacificador confirmed the presence of armed men, which he said belong to the Lost Command, seen escorting Antique Gov. Enrique Zaldivar and Unido provincial chairman Evelio Javier during their campaign sorties in the province.

Pacificador, quoting intelligence reports, said some of the armed men were believed to be natives of Tarlac who were hired to terrorize KBL supporters in Antique.

Embassies Express Concern

HK040518 Hong Kong AFP in English 0458 GMT 4 Feb 86

[Text] Manila, Feb 4 (AFP) -- The Asian Development Bank (ADB) has been in contact with embassies here on plans to evacuate its foreign personnel in case trouble erupts during the Philippine election, diplomatic sources said today. The sources told AGENCE FRANCE-PRESSE the ADB security force had to act because of the many nationals employed by the bank. Their embassies in Manila would have to provide sanctuary and exit in case of need.

Neither the sources nor the ADB public relations office would define what trouble could be expected, but embassy row reportedly is concerned that the elections could trigger social turbulence dangerous to foreigners' safety. ADB chief spokesman Reynaldo Pacheco told AGENCE FRANCE-PRESSE, "the ADB, like most international agencies, has contingency plans in place for years" designed to meet "serious disturbances and other situations."

Mr. Pacheco confirmed that the ADB "has maintained regular contact with other organizations and embassies on this matter," but declined to give details. Diplomatic sources also said that a number of embassies were dusting off contingency plans for the same purpose.

Fears Friday's poll might trigger trouble emanated partly from President Ferdinand Marcos' statements that he might declare martial law if there was violence in the streets before the elections. The president also has said the 250,000-strong military would not allow his opposition rival, Corazon Aquino, to take power if she should win.

The president subsequently said the military would bow to popular will and he would assure a peaceful transition. Mr. Marcos has branded Mrs. Aquino a communist or communist sympathizer during the campaign.

Opposition reports that the military has readied special units in Manila to create havoc, plus military reports that communist liquidation squads are ready for action in Manila also have fueled fears.

Government quarters also have expressed concern over the presence in Philippine waters of U.S. Seventh Fleet ships, part of the United States' military force in the Pacific. They accuse the United States of exerting gunboat pressure against Mr. Marcos in favor of Mrs. Aquino during the polls. Some diplomatic sources assert that such U.S. aircraft carriers as the Midway and the Blue Ridge are here to evacuate U.S. nationals if necessary in case of electoral turbulence.

Ramos Says Violence Down

HK031141 Quezon City Maharlika Broadcasting System in English 1100 GMT 3 FEB 86

[Text] Armed Forces Vice Chief of Staff Lieutenant General Fidel Ramos today predicted a more peaceful election this coming Friday. Gen. Ramos said that, unlike the 1984 Batasan election, the presidential polls will be more peaceful. More on that from Jun Francisco:

[Begin recording] Answering questions during a press conference with local media in Davao City, Ramos said that in 1984 there were 1,000 violent incidents which killed 130 Filipinos. He added that (74) of these fatalities were members of the armed Forces and the PC-INP who died defending the sanctity of the ballot. [end recording]

Enrile Urged To Get Tough

BK030529 Manila PNA in English 0521 GMT 3 Feb 86

[Text] Manila, Feb. 3 (PNA) -- Local leaders and military/police authorities in Cagayan, 400 kms. from here, have deplored the serious trend of intimidation, terrorism and murder of pro-government supporters in the province by opposition henchmen reportedly working in cohorts with subversive elements. "This is the only province where the leaders and supporters of a defense minister are being terrorized," several Cagayan mayors said in a meeting held in Tuguegarao as they urged Defense Minister Juan Ponce Enrile to improve more stringent measures to curb the intimidation of their followers.

Enrile, however, cautioned the mayors against overreacting to the situation and called on them to ensure free, clean and honest elections in the province. "The eyes of the world are focused on us and our capacity to do our duty to preserve the validity and legitimacy of our democratic processes is of the highest importance," Enrile said.

Enrile said that the most insidious threat to the elections in the province were such terroristic acts intended to instill fear among the populace. "One wonders why the Unido, an opposition party, which is attempting to vest itself with an aura of morality and good government, is being carried in Cagayan by politicians harboring a notorious record of corruption and terrorism," he observed.

Opposition Gag Plan Rumored

HK031105 Manila Radio Veritas in Tagalog 1030 GMT 3 Feb 86

[Text] Rumors are rife that there is a military plan aimed at silencing opposition broadcasters, journalists and others. Sources say the plan, called "Operation Everlasting," has been leaked by the military to certain sectors in order to sow fear and to make the populace nervous over the coming elections.

Troops Deployed in Suriago

HK010724 Quezon City ANG PAHAYAGANG MALAYA in English 26 Jan 86 p 9

[By Mannt T. Lumanao]

[Text] Tandag, Suriago del Sur -- A long convoy of army trucks and armored vehicles containing combat-ready troops has stuck fear in the hearts of residents in this small Southern Mindanao province, prompting the local Opposition here to charge the ruling Kilusang Bagong Lipunan for employing heavy militarization as a means to thwart an impending Opposition victory here come Feb. 7.

The United Surigao del Sur Alliance (USSA), a coalition of six political parties and groups, made this accusation following the arrival in this province last week of troops and material belonging to the dreaded Composite Infantry Battalion [IB] and the 51st IB, both under Task Force Cobra headed by a certain Col. Jobotan, and Ilocano.

The troops are now scattered throughout the hinterlands of Surigao del Sur, augmenting two army battalions -- the 28th IB and the Scout Ranger Mountain Battalion -- already stationed in the province since two years ago. Military sources informed MALAYA that two more battalions are expected to be deployed in the province before the Feb. 7 election. This brings to six the total number of army battalions stationed in the province.

USSA chairman Homero D. Elpa branded this KBL ploy as "foul" and said "the entry here of more troops does not pave the way for clean and honest elections."

PDP-Laban [Philippino Democratic Party-Lakas ng Bayan] chairman Montano Ortiz Jr. said perhaps this is the only solution being considered by the party in power to stop an opposition avalanche come Feb. 7. Ortiz predicted an 8-2 victory for Aquino and Laurel in the province.

Bayan chairman Herminijildo Pimentel Jr. said he is surprised why the KBL has not staged a single rally in the province. "The KBL may have thought of a military solution to frustrate the will of the Surigaonons," he said.

Meanwhile, Gov. Felicidad Pimentel (Unido) questioned the motives behind the deployment of additional troops here, saying "the province has relatively enjoyed peace and order since the death of Gov. Murillo three months ago."

It should be recalled that upon her assumption to office, Pimentel appealed to both the military and the underground New People's Army for a moratorium on violence. The appeal was apparently honored by both camps as no major clash has happened since then.

The governor said the heavy deployment of government forces is cause for "much alarm and apprehension." "What will these six army battalions do in a small province like Surigao del Sur?" Pimentel asked.

Pimentel appealed to President Marcos to honor his pledge to confine military personnel in their respective barracks at least during this time of political campaign.

The lady governor said the mere sight of these combat-ready troops is already enough to terrify the electorate.

DISSIDENTS REPORTED MASSING IN 3 PROVINCES

HK040438 Manila Far East Broadcasting Company in English 2300 GMT 3 Feb 86

[Text] Military authorities in southeastern Davao yesterday reported sightings of a large number of dissidents in at least 3 provinces. The Regional Command, however, said it had not engaged in terrorist activities since January. In briefing Lieutenant General Fidel Ramos yesterday, Regional Command 2 chief Colonel Romeo Rasina identified 157 barangays considered as hot spots in the regions. Heavy concentrations of dissidents were monitored in Davao del Norte, Davao del Sur, and Surigao del Sur.

Eleven army soldiers and a woman were killed Sunday morning in an ambush staged by dissidents in Hacienda Catalina in Payaw, Binalbagan, Negros Occidental. Task Force Sugarland, however, withheld the identities of the 11 casualties and a wife of one of the soldiers. This incident brought to 18 the number of persons killed in ambushes in 2 days' time in Negros.

'FOREIGN-TRAINED' MNLF COMMANDERS ENTER COUNTRY

BK030543 Manila PNA in English 0538 GMT 3 Feb 86

[Text] Zamboanga City, Philippines Feb 3 (PNA) -- Military authorities here today said a new batch of foreign trained-Moro National Liberation Front (MNLF) commanders has slipped into the country through the southern back door. Their number was undisclosed but military authorities said the group carried 270 pieces of war materials to be distributed to provinces where MNLF rebels were known to be operating.

This was disclosed during the military briefing given by southern command authorities for Lt. Gen. Fidel V. Ramos acting Armed Forces chief of staff who made a flying visit to western and southern Mindanao regions to oversee the elections preparedness in the two areas and of the RUC [Regional Unified Commands] in the coming special polls.

During the same briefing Brig. Gen. Jose A. Magno Jr., RUC western Mindanao commander, said the underground communists Mindanao commission had transformed central Visayas, particularly Cebu and Bohol, as expansion bases where trained NPA cadres are stationed and later to be fielded in Luzon, especially Metro Manila, to augment armed city partisan operating in the national capital region.

The military authorities said the program was initiated by a top communist leader Romulo Kintanar, also known as one of the highest military commanders of the New People's Army.

General Magno informed Ramos that the latest batch of MNLF is led by Muslim Men Sema, chairman of the new Cotabato Revolutionary Movement. Magno said the new group had been trained in a foreign country on sabotage and explosives. However, Magno discounted the possibility that the new batch arrivals has nothing to do with the elections. The MNLF had decided not to participate in the coming elections, Magno said.

On the other hand, Brig. Gen. Carlos Aguilar, PC region nine (western Mindanao) commander, said a New People's Army under Communist Party of the Philippines is expected to intensify terroristic activities on election day.

In the Batasang Pambansa (Philippine parliamentary) elections of 1984, Aguilar said, the communist rebels were involved in 55 ballot box snatching incidents, two harrassments of voting centers, one ambush, two liquidations and two encounters with government troopers.

OPLS SAYS FURTHER CUTS AHEAD IN GAS, OIL PRICES

HK310904 Quezon City Maharlika Broadcasting System in English 0700 GMT 31 Jan 86

[Text] Prices of gasoline and other oil products will go down further after the special election. Labor and Employment Minister Blas Ople made the disclosure today in an interview with local newsmen in Malolos, Bulacan. He said President Marcos has confided to him about the further reduction of fuel prices after the presidential poll. Ople said that prices of oil products would continue to be reduced as world market prices continue to reflect the oil glut and the disarray of the major oil exporters. At the same time, Ople stressed that the rollback in fuel prices last week was not a propaganda gimmick as claimed by the opposition. He said it was in line with the administration's policy to pass on to consumers any savings on imported oil and oil products.

GOVERNMENT CONTINUES 'WITHDRAWAL BINGE' FROM CB

HK311425 Manila BULLETIN TODAY in English 31 Jan 86 p 25

[By J.C. Concepcion]

[Text] The national government is continuing its withdrawal binge of its deposit balances with the Central Bank [CB]. Preliminary CB statistics have shown that government withdrawals from its deposit balances with the CB increased by another P578 million on the third week of this month ending January 17.

The fresh withdrawals, represented by net credits extended by the CB to the national government, brought to P16.396 billion the total amount of withdrawals that the government has, so far, made on its deposit balances with the CB since December last year. The total P2.848 billion net credits extended by CB to the national government for the first three weeks of this month comes close to the P3.3 billion net credits given by CB to the government last December.

The CB and other government agencies did not issue any statement yesterday explaining the continuing withdrawals by the government from its deposit balances with the CB. CB Governor Jose B. Fernandez, however, hinted the other day before a meeting of a business group that government withdrawals from its deposit balances may likely be used to finance infrastructure and construction projects which are normally undertaken by the government during the summer months.

His statement was bolstered by an earlier statement by Prime Minister Cesar Virata that the recent drawdowns by the government from its balances with the CB was because of the higher P13 billion budget deficit ceiling for 1985 agreed upon by the national government and the International Monetary Fund.

Economic Planning Minister Vicente Valdepenas Jr. also said in an earlier statement that the higher budget deficit ceiling means the government can release more funds for various programs, like procurement of palay by the National Food Authority and revival of construction activities, which are all aimed at pumppriming the economy.

Another highranking government official, however, said he does not know of specific allocations of amounts that have been withdrawn lately by the government from its deposit balances with the CB. He also pointed out that the withdrawals are unlikely to be used for new projects because of the election ban on spending on new projects. At best, he said, the recent government withdrawals may be used to pay old payables like ongoing contracts and price escalations on construction contracts.

The National Economic Protectionism Association (NEPA), meanwhile, asked the government to explain in clear and definite terms the reasons for the continuing withdrawals by the government from its deposit balances.

VIRATA ON RESTRUCTURING OF FOREIGN DEBT

BK030429 Manila PNA in English 0422 GMT 3 Feb 86

[Text] Manila, Feb 3 (PNA) -- The restructuring of the remaining portion of the country's 1.1 billion dollars official debts owed to foreign governments under the aegis of the Paris Club has run into another complication which may affect the early completion of restructuring program.

Prime Minister Cesar Virata in an interview, disclosed that a problem has cropped [up] which involves a portion of the 45-million-dollar owed to Austria. Austria is one of the remaining four countries with which the Philippines has still to sign restructuring agreements. The other countries are the United Kingdom, Australia and the Netherlands.

Virata said that the debts in question are loans extended to Semirara Coal Corp., a mining firm now owned by the state-owned National Development Company. Before it was taken over by the government in 1981, Semirara used to be a part of the Herdis group of companies headed by Hermeni Diniso. Semirara in joint venture with Voest Alpine of Austria which agreed to develop the coal mines of Semirara.

Virata said that the Austrian Government wants the debts of Semirara to be included in the restructuring. The Philippine Government, however, does not want the debts of Semirara to be included since the loan extended to Semirara was not guaranteed by the government.

Under the agreement reached by the Philippine Government on Dec 20, 1984 with representatives of creditor countries participating in the Paris Club, loans to be restructured include all loans granted and/or guaranteed/insured by government entities/official export credit agencies of the participating countries arising from agreements concluded before April 1, 1984.

To be restructured are all outstanding arrears as of Dec 31, 1984 and all amortizations including principal and interests on Paris Club loans due in 1985 and the first semester of 1986.

These debts are to be restructured over a period of 10 years, including a five-year grace period. First payment of the interest on the rescheduled debt will be made on March 15, 1986 while the first payment on the principal of the rescheduled debt will start on March 15, 1991.

GOVERNMENT TO SEEK NEW PROGRAM WITH IMF

HK300632 Manila BUSINESS DAY in English 29 Jan 86 p 3

[Text] The country will seek another economic program with the International Monetary Fund (IMF) because it is an "implied agreement" with its foreign bank-creditors, Central Bank Governor Jose B. Fernandez Jr. said.

The CB governor indicated that the new economic program to replace the existing one which will expire in June would deal not only with economic adjustment but also include prospects for economic growth.

Many bankers, however, expect that adjustment measures would remain, if not emphasized, in the next economic program with the IMF. They based their expectation on the fact that the IMF is closely linked with foreign banks in devising a program for debt-ridden countries, including the Philippines. Those measures, as shown by the existing program, are painful to business. Total production, or the gross national product, has seen a nearly 10 percent decline in the past two years when government economic policies were tuned to IMF conditions.

Fernandez, however, is a bit optimistic. The CB governor believes the country should pursue what he terms "economic discipline," if it wants to remain in the international financial stream. There are, however, prospects that the next program with the IMF could contain measures for economic growth, he added.

Those prospects come from the so-called Baker initiative. Proposed by the United States Treasury Secretary, James Baker III, during the IMF-World Bank joint annual meeting in Tokyo last year, the program calls for \$20 million in funding to debt-ridden countries during the next three years. Involved in it are international banks, the World Bank, and the IMF.

Fernandez noted that the program talks of economic growth in countries with debt repayment problems. "It does not deal with pure economic adjustments like the programs with the Fund," he said.

Fernandez has a "gut feel" that the Philippines will be high in the list of countries eligible for the Baker program. He said the country has been following the IMF recommendations for adjustments. Comments from international bankers, whom he met in New York recently, also indicate a ground for optimism, he said. The Baker plan, however, is still in its infant stage.

PHILSUMA HEAD PRESSES FOR RELEASE OF FUNDS

HK300634 Manila BUSINESS DAY in English 29 Jan 86 p 2

[By Julie C. Del Castillo]

[Text] President Marcos' announcement that the government will extend P1,250-million to local sugar producers to prevent further decline in domestic sugar prices is only half of the solution to the industry's present financing difficulties.

Philippine Sugar Marketing Corp. (PHILSUMA) chairman and president Fred J. Elizalde yesterday said sugar producers are as yet unsure if they can obtain government guarantees for a P1,250-million loan in case they will not be able to get the funds directly from the Central Bank. Elizalde said it would be difficult for Philsuma to obtain guarantees from sources other than the government itself because Philsuma is just a fledgling corporation and therefore has yet to establish a track record. "Who will assume the risk? Commercial banks will not lend P1 billion to a one-month-old corporation. What we need now is for the CB to provide the funds (directly) or if through the commercial banks, the needed guarantees," Elizalde said.

In his speech at the Bacolod and Iloilo City rallies the other day, Marcos directed the CB to extend a P1-billion short-term credit line to Philsuma to enable it to buy surplus sugar in the market to maintain domestic prices at P300 per picul. The president also authorized the release of some P250 million to Philsuma from the Casino Trust Fund to finance the sugar delivered to millers. This will be guaranteed by the CB and the Finance Ministry, Marcos said.

The President also ordered the condonation of part of the accrued interest on loans of sugar planters and millers previously granted by the Philippine National Bank and the Republic Planters Bank, and the reduction of the interest on sugar crop loans from 42 percent to 16 percent.

Elizalde said the immediate release of the promised funds for Philsuma would enable the company to purchase and hold for about six months the sugar oversupply now in the market and release the volume during the lean production months of May to November. He said the funds' release would also assure sugar traders and consumers of a stable price during the latter part of the year.

The surplus is caused by the seasonality of production starting from October to April and peaking in December. The resulting surplus during the peak production months depresses domestic prices for producers, although retail prices are kept within limits because demand for sugar remains virtually stable throughout the year.

Philsuma then would have to maintain a reasonable level of supply to unload during the lean months of production and at the same time prevent any untoward drop in domestic prices for producers. Elizalde said sugar producers in Negros are getting as low as P255 per picul for their sugar as of yesterday, a P15 decline from the average price a picul last week.

The availment of the P1 billion short-term credit line financing and P250 million "seed money" for Philsuma authorized by Marcos are "sufficient to finance" the sugar marketing operations strategy of Philsuma and would assure that producers receive the target price of P300 per picul, Elizalde said. "If we get this money now, then the immediate problem of the industry is solved," he said. If it gets the funds, Philsuma intends to buy the domestic reserve sugar at P300 a picul. About 20 percent of the total cost in buying the reserve will be financed by the P250-million "seed capital" and the remaining 80 percent will be financed by the P1-billion short-term credit line.

MARCOS CHARGED WITH MISLEADING SUGAR WORKERS

HK300620 Manila BUSINESS DAY in English 29 Jan 86 p 14

[Text] MPs Fermin Z. Caram Jr. and Arthur Defensor of Iloilo, and Wilson P. Gamboa of Negros Occ. yesterday charged that President Marcos "misled suffering producers and their workers into believing empty pronouncements of P1.25 billion aid to solve the problems of the dying sugar industry."

In a press statement, the three MPs said officials of the Philippine National Bank [PNB] and the Republic Planters Bank [RPB] have confirmed that it is not possible and may even be illegal for these two institutions to unilaterally condone and reduce from 42 percent to 18 percent the interest rates for sugar loans acquired from them. "It is likewise illegal to use P250 million of the Casino Trust Fund and for the Central Bank to extend a P1 billion short term credit to the Philippine Sugar Marketing Corp. (Philsuma) to fund its sugar purchases," they said. "President Marcos himself admitted in statements in Bacolod City that his directives are controversial and may violate banking laws in the country," they added.

They said many producers who went to the PNB and the RPB following the President's announcement were told that interest on their loans cannot be condoned, and it would be illegal for the President to use Casino Trust Funds and Central Bank resources for the sugar industry. "This is so," they stressed, "because other ailing and disaster stricken sectors of the economy would seek to avail of this special privilege the government will not be able to grant."

At the same time, the MPs said Marcos "conveniently ignored the important and more urgent need for the National Sugar Trading Corp. (Nasutra) to settle P1.2 billion debts long overdue producers and their workers." They said these debts "cover P761 million worth of domestic sugar delivered to Nasutra since March 4 last year, and over P442 million in export price differential for crop year 1984-85; Nasutra has very long ago collected these sums but has not paid and refuses to account to the producers."

Caram and Defensor also debunked claims of 250,000 attending the rally staged for President Marcos and his running mate, MP Arturo M. Tolentino in Iloilo City. "The few who attended the rally were extravagantly gifted with Marcos-Tolentino T-shirts and guidelines but wore green and yellow headbands and continuously flashed the "LABAN" sign without clapping their hands during the rally," Caram and Defensor said.

"Mrs. Imelda Romualdez Marcos cried and abruptly left after cutting the yellow ribbon at the inauguration of the new Iloilo PNB offices during which almost everybody also wore yellow at the yellow decorated affair," they said. "Even the Iloilo branch of the University of the Philippines was, including the Oblation, decorated yellow that dominated the whole city," Caram concluded.

PRODUCERS 'OPTIMISTIC' ON RELEASE OF SUGAR FUNDS

HK311554 Manila BUSINESS DAY in English 31 Jan 86 p 2

[By Julie C. Del Castillo]

[Text] Sugar producers are optimistic that even if there is a change in the national leadership after the Feb. 7 presidential polls, government financial support for the sugar industry will not be derailed, Philippine Sugar Marketing Corp. (Philsuma) chairman and president Fred J. Elizalde said.

In an interview with BUSINESS DAY, Elizalde said the sugar industry's present financial problems cannot be ignored by whoever wins next month's election because of their far-reaching implications on the economy. Sugar producers are now unable to keep domestic sugar prices at stable and profitable levels due to the lack of crop loans for the industry.

According to Elizalde, sugar prices in Negros continued to drop to P255 per picul early this week (compared to an average of P260 a picul last week), way below the sugar mills' average production cost of about P320 per picul.

Producers, he said, are selling their sugar even at low prices to enable them to finance whatever is left of their operations. On the other hand, prices are declining because the industry is facing a surplus in domestic supply owing to the onset of the peak production season.

Philsuma needs about P1,250 million to establish a stockpile (from a still-undetermined volume currently in the domestic market) to prevent a further fall in prices. Philsuma intends to unload the surplus sugar during the lean production months. However, sugar planters and millers, and even Philsuma, cannot raise the amount by themselves because of their tight financial positions.

President Marcos Monday announced in a speech at the KBL Bacolod and Iloilo City rallies that the government will release P1,000 million and another P250 million from the Casino Trust Fund to bail out the ailing sugar industry.

"I don't think any change in the national leadership will adversely affect our chances of obtaining the money. The industry's problems are there, and the surplus problem is not related to politics or to the elections," Elizalde said.

The industry's present difficulties, which can be overcome only through government funding support, have far-ranging implications for the entire economy. They affect not only sugar planters and millers and their workers in the sugarcane fields but also sugar end-users, particularly in relation to domestic prices. "If we get (the funds) now, then the immediate problem of the industry is solved," Elizalde said. He added that the government-promised funds for Philsuma to set up a sugar reserve will prevent the wild fluctuation in prices. "If we do not have a reserve and no floor price, traders can manipulate prices in the second half of the year (the lean months of production)," he said.

Elizalde said the immediate release of the promised funds to Philsuma would enable the one-month-old private company to purchase and hold for about six months reserve sugar for release in the lean months of May to November. The availment of the P1,000-million short-term credit line and the P250-million "seed capital" for Philsuma authorized by Marcos are "sufficient to finance" the sugar marketing operations strategy of the firm and would assure that producers receive the target floor price of P300 per picul, he added.

If it gets the funds, Philsuma intends to buy the domestic sugar stockpile at P300 a picul. About 20 percent of the total cost in buying the reserve will be financed by the P250-million capital while the remaining 80 percent will be financed by the P1,000-million short-term credit line.

POLICE BUST INTERNATIONAL HEROIN RING

HK301625 Hong Kong AFP in English 1406 GMT 30 Jan 86

[Text] Angeles, Philippines, Jan 30 (AFP) -- Philippine police today said they had busted an international heroin trafficking ring with the arrest of a Canadian believed to be a key figure in the syndicate. Leonard Miller, 36, was arrested yesterday in this northern Philippine city, which hosts the U.S. Clark Air Base, for possession of 250 grams (8.8 ounces) of heroin worth an estimated two billion pesos (16,800 dollars), an official said.

Lieutenant Colonel Amado Espino, regional commander of the Constabulary Narcotics Command, said his men also seized weighing scales, fake stamp pads of immigration offices of 11 countries, and fake U.S. visas. He said Mr Miller, who was placed in the custody of his lawyer pending trial, was part of a drug syndicate linked to operations in the United States, Australia and other Asian countries. Drug trafficking is punishable by death in the Philippines.

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